



January 31, 2025

The Honorable Glenn Youngkin
 Governor
 Commonwealth of Virginia
 Patrick Henry Building, 3rd floor
 1111 E. Broad Street
 Richmond, VA 23219

Re: December 2024 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of December 2024, as required in §58.1-4006 of the *Code of Virginia*. Comparisons to forecast are based on the estimates as included HB1600/SB800 for fiscal year 2025.

December Monthly Update:

	Monthly Actuals Dec FY25	% of Total	Monthly Actuals Dec FY24	Current Month FY25 vs FY24		Monthly Forecast Dec FY25	Current Month Actuals vs Forecast	
				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Sales								
Scratchers	\$ 123,865,826	24.3%	\$ 124,420,031	\$ (554,205)	-0.4%	\$ 123,942,600	\$ (76,774)	-0.1%
Draw Games	\$ 111,703,080	21.9%	\$ 110,894,516	\$ 808,564	0.7%	\$ 101,797,398	\$ 9,905,682	9.7%
iLottery Instants	\$ 274,244,140	53.8%	\$ 264,037,246	\$ 10,206,894	3.9%	\$ 293,882,446	\$ (19,638,306)	-6.7%
Total	\$ 509,813,046	100.0%	\$ 499,351,793	\$ 10,461,253	2.1%	\$ 519,622,444	\$ (9,809,398)	-1.9%
Prize Expense				<u>FY25 Rates</u>	<u>FY24 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 91,158,291	23.4%	\$ 90,570,197	73.6%	72.8%	\$ 91,717,524	74.0%	
Draw Games	\$ 50,125,938	12.9%	\$ 59,508,724	44.9%	53.7%	\$ 55,843,018	54.9%	
iLottery Instants	\$ 247,960,908	63.7%	\$ 236,592,986	90.4%	89.6%	\$ 262,730,907	89.4%	
Total	\$ 389,245,137	100.0%	\$ 386,671,907	76.4%	77.4%	\$ 410,291,449	79.0%	
<u>Retailer Earnings</u>	\$ 11,745,006		\$ 13,730,177	5.3%	6.2%	\$ 13,508,786	5.7%	
<u>Admin Expenses</u>	\$ 18,334,074		\$ 16,278,751	3.6%	3.3%	\$ 21,456,623	4.1%	
<u>Other Income</u>	\$ 1,772,505		\$ 1,281,749			\$ 833,333		
Profits	\$ 92,261,334		\$ 83,952,707	\$ 8,308,627	9.9%	\$ 75,198,919	\$ 17,062,415	22.7%

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Fiscal Year to Date Update:

	YTD FY25 Dec	% of Total	YTD FY24 Dec	Year to Date FY25 vs FY24		Forecast FY25 YTD Dec	Year to Date FY25 vs FY25 Forecast	
Sales				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 665,197,002	24.1%	\$ 605,306,497	\$ 59,890,505	9.9%	\$ 655,278,913	\$ 9,918,089	1.5%
Draw Games	\$ 582,330,538	21.1%	\$ 673,005,516	\$ (90,674,978)	-13.5%	\$ 580,693,915	\$ 1,636,623	0.3%
iLottery Instants	<u>\$ 1,511,292,354</u>	<u>54.8%</u>	<u>\$ 1,384,209,180</u>	<u>\$ 127,083,174</u>	<u>9.2%</u>	<u>\$ 1,548,509,678</u>	<u>\$ (37,217,324)</u>	<u>-2.4%</u>
Total	\$ 2,758,819,894	100.0%	\$ 2,662,521,193	\$ 96,298,701	3.6%	\$ 2,784,482,506	\$ (25,662,612)	-0.9%
Prize Expense				<u>FY25 Rates</u>	<u>FY24 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 488,179,637	22.9%	\$ 437,751,926	73.4%	72.3%	\$ 482,391,092	73.6%	
Draw Games	\$ 286,325,758	13.4%	\$ 364,550,235	49.2%	54.2%	\$ 306,850,894	52.8%	
iLottery Instants	<u>\$ 1,354,604,811</u>	<u>63.6%</u>	<u>\$ 1,241,833,484</u>	<u>89.6%</u>	<u>89.7%</u>	<u>\$ 1,384,367,652</u>	<u>89.4%</u>	
Total	\$ 2,129,110,206	100.0%	\$ 2,044,135,645	77.2%	76.8%	\$ 2,173,609,638	78.1%	
Retailer Earnings	\$ 67,122,359		\$ 67,738,213	5.7%	5.7%	\$ 70,849,140	5.7%	
Admin Expenses	\$ 108,458,238		\$ 98,668,467	3.9%	3.7%	\$ 121,085,905	4.3%	
Other Income	\$ 6,712,631		\$ 6,381,296			\$ 5,000,002		
Profits	<u>\$ 460,841,722</u>		<u>\$ 458,360,164</u>	<u>\$ 2,481,558</u>	<u>0.5%</u>	<u>\$ 423,937,825</u>	<u>\$ 36,903,897</u>	<u>8.7%</u>

Sales Highlights

Scratcher ticket sales, a product category sold only at retail locations, continue to show strong growth over last year in a competitive gaming environment. December is typically a good seasonal month for retail lottery sales which we take as an opportunity to highlight our “Gift Responsibly” campaign, part of our broader Responsible Gaming program, to remind people that lottery gifts are appropriate only for those over the age of 18. While we are up nearly 10% in the Scratcher category compared to the first half of FY 2024, we expect some softening in this category over the second half of the year.

In total, sales were up 2% in December compared to last year and are less than 1% behind the year to date forecast overall. While iLottery performance continues to see year over year growth, the product category is below forecast. For the first half of the year, iLottery sales were up over 9% year over year and down 2% compared to forecast.

Profit Highlights

The first half of FY 2025 was the most profitable first half of any fiscal year in the history of the Virginia Lottery. December profits were stronger than last year, notably from strong Mega Millions sales from the jackpot roll that ended with a jackpot over \$1.2 billion on December 27, and lower overall prize expense rates for the daily draw games. Overall, total profits were up just over \$2 million compared to the first half last year. Despite overall sales that are slightly below forecast, profits are nearly \$37 million ahead of the updated forecast, due to lower-than-expected prize rates and better than budgeted administrative cost efficiency. This profit surplus will help offset the expected deficit for January, which experienced weather interruptions and low national jackpot levels.

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Other Highlights

We continued to see strong support for our Lottery Outreach Program in full force as we closed out the second quarter of FY25, with the holiday season lending itself to many volunteer opportunities. Overall, more than 60 employees spent time giving back in our communities through eight partnerships, including the Salvation Army Angel Tree, Christmas Mothers in Chesterfield, Colonial Heights and Henrico, SOAR365 and Feed More. I am proud to lead an organization of people who embrace the opportunity to give back to the communities in which we all live, work and play. It is truly part of what makes the Virginia Lottery one of the Commonwealth's "best in class" agencies.

Please let me know if you have any questions, or if you would like more information.

Respectfully,



Khalid R. Jones

- c: The Honorable L. Louise Lucas, Chairwoman, Senate Finance & Appropriations Committee
- The Honorable Luke E. Torian, Chairman, House Appropriations Committee
- The Honorable Vivian E. Watts, Chairwoman, House Finance Committee
- The Honorable John Littel, Chief of Staff, Office of the Governor
- The Honorable Stephen E. Cummings, Secretary of Finance
- Michael Maul, Director, Department of Planning & Budget
- Scott Adams, State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board