



Camelot | GLOBAL

## Lottery Oversight Committee Update

August 16<sup>th</sup> 2016

## Today's Objectives

---

### Objectives for today's meeting:

- i. To give you an update on the FY17 Budget of \$463m Sales and \$80.9m Net Returns to ADHE
- ii. To summarize the progress made to date against each strategic pillar
- iii. To update you on additional resource and support brought in for FY17
- iv. To answer any questions you may have

## Executive Summary

---

- **Best ever** month of July for Proceeds to Scholarships = \$8.7m
- +\$6.6m vs July FY15 = +20%
  - Instants +\$2.1m
  - Draw Games +\$4.5m
- Sales up \$4.3m vs Budget
- Progress made against all the key strategic pillars in July 2016:
  - Brand & Marketing: Media Circus has taken place, Advertising research groups across the State, additional expertise bought on board called The Value Engineers, new dedicated Marketing Manager starts next week
  - Games: Continued improvements made to tickets design, prize maximization program and new game development
  - Retail: Retailer recruitment program continues, new Core 10 availability measurement is live

# Trading Update

## Total Sales

Week Ending - 14/08/2016

	Last Week \$m			Year To Date \$m						YTD vs FY17 Target \$m					
	Actual	Budget	Vs Budget	Actual	Budget	Vs Budget	Previous Year (PY) to Date	YTD vs PY +/-	YTD vs PY +/-%	Estimated Returns to ADHE	Returns vs PY	Target	Remaining	Required AWS	Current AWS
Draw Sales	1.2	1.3	(0.1)	12.9	8.6	+4.4	8.1	+4.8	+58.8%			79.5	66.5	1.7	2.0
Instant Sales	6.4	6.4	+0.1	42.2	40.8	+1.5	39.2	+3.0	+7.7%			383.8	341.5	8.4	6.6
<b>TOTAL</b>	<b>7.7</b>	<b>7.7</b>	<b>(0.0)</b>	<b>55.2</b>	<b>49.3</b>	<b>+5.8</b>	<b>47.4</b>	<b>+7.8</b>	<b>+16.5%</b>	<b>9.7</b>	<b>+1.4</b>	<b>463.2</b>	<b>408.1</b>	<b>10.1</b>	<b>8.6</b>

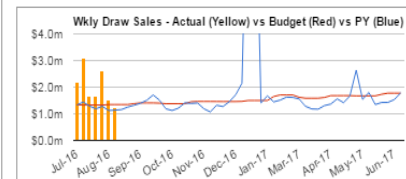
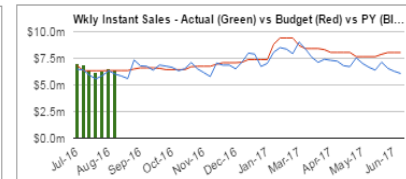
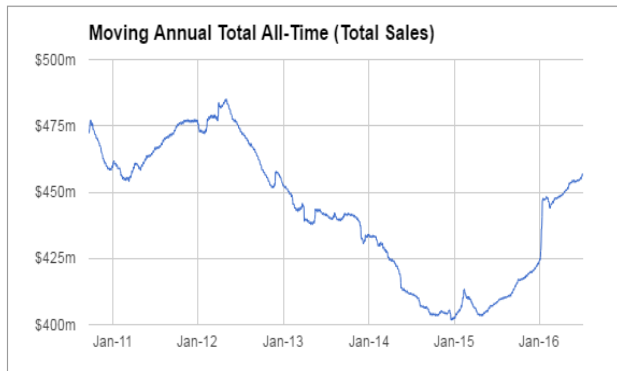
Total sales of \$7.7m, down -\$0.4m WoW (Last week \$8.1m)

- Down \$0.0m vs. weekly budget
- Year to date sales (YTD) up \$5.8m vs. budget
- YTD up 16.5% vs. this time last year (PY)
- Sales were the 6 highest of the year (of 7 weeks)
- Estimated\* total returns to ADHE year to date = \$9.7m (up \$1.4m vs PY)

### Week Ahead

- Forecast of \$7.7m (\$0.0m WoW)
- Instants = \$6.4m
- Draw = \$1.3m

\* Returns to ADHE calculated using 17.6% of sales as a proxy





# Key Initiatives and recommendations

PRIORITY	KEY INITIATIVES	FY16 Q4	FY17			
			Q1	Q2	Q3	Q4
	<b>BRAND</b>					
	1. Parent Brand Re-Appraisal					
	2. Win Belief					
	3. Beneficiary Program (enhanced)					
1	1. Prize Maximization Program					
	2. Establish Range and Cat Principles, Extend Core Game Strat					
	depth product design review					
	4. Review Dispenser Allocation & Pack Sizes					
	5. Tailor Product Ranges					
	<b>GAMES - DRAW GAMES</b>					
3 (F)	1. Brand Architecture					
	2. Establish New Product Development Process (NPD)					
12	3. Renovate NSJ (Output of establishing NPD Process)					
	4. New In State Bigger Lotto Format Game					
	<b>MARKETING</b>					
4 & 5	1. Optimize Marketing Planning and Effectiveness Process - IMAP					
6	2. Econometric Modelling					
7 & 8	3. Develop regular play and repertoire play strategy					
	<b>RETAIL</b>					
2	1. Optimize Retail Distribution (additional terminals Est.600)					
10	2. Perfect In Store Execution (PIE) -Implement agreed standards					
9	3. Maximize TVM sales					
11	4. Key Accounts					
10	5. Value of Lottery (VOL)					
	6. Segment Estate					

The Value Engineers recruited at Camelot's cost

Program now developed and being phased in. Range research workshops taking place

Media circus in July. Marketing communication and appeal research groups conducted

PNR Program in full force. Geo-Mapping research taking place

## Introducing The Value Engineers

We deliver projects that drive change

PREDICT

BRANDING  
STRATEGY  
INNOVATION  
INSIGHT

RESPOND

DRIVE

TVE's will work to grow the universal appeal of the Lottery

## We work across multiple categories – a selection of clients

FMCG



SERVICE



GAMING &  
TEC



## Summary

---

- Business Plan recommendations continue to be worked on, developed and implemented
- The business plan is driven by Camelot's ISPEX Approach – Insight, Planning and Execution
- Forthcoming debrief from advertising research groups, Geo-Mapping in retail plus key recommendations from TVE's will further drive our delivery against the Business Plan recommendations
- New Camelot Marketing Manager hired to further assist the Arkansas Scholarship Lottery team
- A best ever July is a great start to the new financial year!