



**FY26 ANNUAL REPORT ON**  
**THE PRIVATE MANAGEMENT AGREEMENT**

*(20 ILCS 1605/9.1(p)(3))*

*Respectfully submitted to:*

**Illinois Governor JB Pritzker**

**Senate President Don Harmon**

**Senate Republican Leader John Curran**

**Speaker Emanuel "Chris" Welch**

**House Republican Leader Tony McCombie**

## **The Illinois Lottery -- Private Management Background**

In 2009, the Illinois General Assembly passed legislation requiring the State to seek a private manager for the Lottery (“Department”). Consequently, the Department engaged its first private manager pursuant to the process outlined in Section 9.1 of the Illinois Lottery Law (20 ILCS 1605). The winning bidder was Northstar Lottery Group, LLC (“Northstar”), a consortium comprising the Department’s then-current suppliers, GTECH Corporation and Scientific Games International, Inc. The Department entered into a private management agreement with Northstar on January 18, 2011, and Northstar entered into supply agreements with GTECH and Scientific Games.

On September 18, 2015, the Department, Northstar, International Gaming Technologies (“IGT” formerly GTECH), and Scientific Games (“SGI”) entered into a Letter Agreement of Termination due to performance issues. Subsequently a Request for Proposal (“RFP”) was released for a new private management partner. Camelot Illinois (“Camelot”) was the sole bidder. The Department and Camelot entered into a new 10-year private management agreement (“PMA”) on Oct. 13, 2017.

In January 2018, Camelot replaced Northstar as private manager and completed the transition of key business functions in Q3 of FY18. A comprehensive and extensive technology transition took place in parallel and largely concluded in Q4 of FY19. The technology transition included a new central gaming system, a new instant ticket management system, a new internal control system, all new retail terminals and equipment, a new iLottery platform, website and mobile app.

In early August of Q1 FY24 Camelot Illinois rebranded as Allwyn Illinois as a result of the acquisition of Camelot Illinois in December 2022 by the European lottery operator, Allwyn Group. Allwyn Illinois (“Allwyn”) will replace all references of Camelot Illinois (“Camelot”) moving forward.

Allwyn continues to perform private manager responsibilities as of the date of this report and submits an annual business plan detailing its goals and objectives for the year. Allwyn’s contract expires in October 2027. The Department is in the process of developing a solicitation for a new agreement, to be executed before expiration of the current agreement. The following report provides a status overview for FY26.

## **FY26 Updated Annual Business Plan Objectives and Initiatives**

### **FY26 Plan Primary Focus**

1. Expand the Lottery’s product offering and retail footprint to address portfolio gaps and build a foundation for social play.
2. Evolve the player experience in-store and online to continue modernizing the Lottery to meet changing consumer behavior.
3. Strengthen the Lottery brand across the state with foundational activity to support the Lottery’s core purpose.

### **FY26 Plan Financial Goals**

1. Operating Revenue – \$4.016 billion (+6.8% FY25 Year-End Actual)
2. Operating Income – \$851 million (+6.9% FY25 Year-End Actual)
3. Instants Revenue – \$2.212 billion (+2.2% FY25 Year-End Actual)
4. Retail Draw Based Games Revenue – \$1.047 billion (17.8% FY25 Year-End Actual)
5. iLottery Draw Based Games Revenue – \$754 million (7.5% FY25 Year-End Actual)

## **FY26 Executive Summary**

***The Annual Private Management Agreement Report, per Illinois statute, is due 30 days prior to year-end. As a result, the following information is reflective of Quarters 1, 2 and 3 of FY26. A FY26 Q4 PMA report will be submitted after year end that will reflect the full fiscal year.***

The FY26 Updated Annual Business Plan (Plan) sets forth Allwyn's business objectives, initiatives, and financial projections for the year. Below are details regarding Allwyn's financial performance through Q3 of FY26. Operating Revenue is \$2,932 million, which is 2.03% less than Plan projections and 3.42% more than the same period in FY25. Operating Income is \$619 million, which is 2.18% less than Plan projections and 1.21% more than the same period in FY25. The following provides more detail:

**Common School Fund (CSF).** Through Q3 of FY26 \$606 million has been transferred to the CSF. CSF transfers are up 2.76% from the same period in FY25. Monthly CSF transfers are dependent upon available operating income and are accounted for based on the timing of the transfer. The Department is on track to deliver upwards of \$799 million in total to the CSF in FY26, a 1.9% increase over last year.

**Specialty Causes.** The Department supports ten specialty causes through its specialty scratch ticket program which is funded by the sale of the \$5 7X Bingo Multiplier scratch ticket. Through Q3 of FY26 \$8.3 million has been transferred to these causes. The program was changed in 2023 to enable its funding through the sale of the single joint ticket that was introduced in January 2024 instead of individual tickets being issued for each cause. Program proceeds are down 2.63% year-over-year through Q3 of FY26.

**Instant Tickets.** Instant ticket sales through Q3 FY26 were \$1,615 million, 3.40% below Plan and 0.03% less than the same period in FY25. Instant ticket sales have slowed around the US this year and the effects are being felt in Illinois, despite Illinois losing less ground in sales growth than the US lottery industry and peers. Instant ticket sales have remained relatively flat through Q3 due to the overperformance of our higher price point tickets, \$25-30-50, offsetting the underperformance of lower price points.

**Draw-Based Games (DBGs).** DBG sales through Q3 were \$1,313 million and were 0.45% less than Plan but 8.00% higher than DBG sales generated during the same period of FY25. Two Powerball jackpots were over \$1 billion and one \$988 million Mega Millions jackpot helped boost DBG sales and has enabled strong overall sales. The Department launched its first new draw game in 5 years in Q2, HotWins, a social, frequent drawing game that offers a new way to play lottery. The game has performed below expectations and continues to struggle with player adoption. The Department will continue to support HotWins through retail acquisition and development of new retailers along with various marketing tactics.

**iLottery.** iLottery sales are a subset of total DBG sales, given only DBGs can be sold online. Total iLottery sales through Q3 were \$571 million, 6.56% more than the same period in FY25 and 1.53% more than Plan. Increased sales came mostly from Powerball, with a \$27.2 million increase in Q1. Fast Play is our biggest game category online, representing approximately 65% of total iLottery sales, but only 42% of iottery gross gaming revenue (sales minus prizes) comes from Fast Play.

Despite strong Powerball performance that will drive good overall sales for FY26 that will beat the FY25 total, the Department won't achieve its Plan goals for Operating Revenue and Operating Income in FY26. In addition, the contractual minimum net income target for Allwyn also won't be achieved. This marks the second year in a row that has occurred.

### **FY26 Financial Performance Summary Detail through Q3**

<b>Total</b>	<b>FY25 Actual</b>	<b>FY26 Actual</b>	<b>FY25 Actual v. FY26 Actual</b>	
<b>Operating Revenue</b>	\$2,834,991,351	\$2,931,859,116	\$96,867,765	3.42%
<b>Operating Income</b>	611,164,906	618,534,707	\$7,369,801	1.21%
<b>Instant Ticket Sales</b>	1,615,374,328	1,614,947,251	\$(427,077)	-0.03%
<b>DBG Sales</b>	1,215,309,643	1,312,521,958	\$97,212,315	8.00%
<b>Digital Sales</b>	535,960,297	571,144,742	\$35,184,445	6.56%
<b>CSF Transfers</b>	589,621,071	605,873,400	\$16,252,329	2.76%
<b>Specialty Ticket Transfers</b>	8,477,979	8,255,094	\$(222,885)	-2.63%

*Table 1 FY26 Financial Performance year over year through Q3.*

<b>Total</b>	<b>FY26 Actual</b>	<b>FY26 Business Plan Targets</b>	<b>FY26 Actual v. FY26 Plan</b>	
<b>Operating Revenue</b>	\$2,931,859,116	\$2,992,656,021	\$(60,796,905)	-2.03%
<b>Operating Income</b>	618,534,707	\$632,317,471	\$(13,782,764)	-2.18%
<b>Instant Ticket Sales</b>	1,614,947,251	\$1,671,755,160	\$(56,807,909)	-3.40%
<b>DBG Sales</b>	1,312,521,958	\$1,318,520,205	\$(5,998,247)	-0.45%
<b>Digital Sales</b>	571,144,742	\$562,551,962	\$8,592,780	1.53%

*Table 2 FY26 Financial Performance compared to business plan targets through Q3.*

**Specialty Causes Detailed Transfers**

<b>Specialty Ticket Cause</b>	<b>FY26 Transfers Through Q3</b>
Veterans	\$819,696
Ticket for the Cure	\$812,932
Red Ribbon Cash	\$829,741
The MS Project	\$829,599
Special Olympics	\$824,583
Police Memorials	\$829,740
Homelessness Prevention	\$829,660
Alzheimer’s Awareness	\$819,661
UNCF	\$829,741
DREAM	\$829,741
<b>Transfers to Specialty Causes</b>	<b>\$8,255,094</b>

*Table 3 FY26 Specialty Ticket Proceeds through Q3.*

The Department funds 10 specialty causes. The Department was successful in FY23 in passing SB1508 (PA103-381), which streamlined the program by allowing one joint ticket to be sold to support all 10 causes. The new law improved the administration of the program, enabling better financial planning for the causes, and broadening the appeal of the program. Changes to the program also helped improve the overall health of the \$2 – \$3 – \$5 category of the instant ticket portfolio as the number of individual specialty tickets being issued had almost doubled in recent years. 20 ILCS 1605/21.4 went into effect on Jan 1, 2024.

In addition to the law changes noted above, PA103 – 0381 provided for the formation of the Illinois Lottery Special Instant Scratch-off Task Force. The Department, Governor’s office, legislature and the Private Manager participated in a bipartisan task force with the following goals intent on:

1. Maximizing revenue for the State and special causes.
2. Whether to expand the program to additional causes.
3. Establishing criteria for special causes.
4. Determining the impact the Joint Ticket has on revenue.
5. Other issues related to the Joint Ticket.

The task force released its final report listing its recommendations for the future of the program in April of 2026:

1. Continue the use of a single joint specialty ticket to fund the program by removing its 3-year sunset provision.
2. Continue to limit the size of the program to 10, causes, eliminating the possibility of future

expansion.

3. Remove the sunset provisions for two causes in the program that were due to expire within the next 12 months, the Carolyn Adams Ticket for the Cure, benefiting breast cancer research, supportive services, and education; and the Quality-of-Life ticket, benefiting HIV/AIDS prevention education, and treatment.

These recommendations were enacted during the 2025 Veto Session of the Illinois General Assembly through the passage of House Bill 1437 (PA104-434).

### **iLottery Program**

<b>Fiscal Year</b>	<b>Internet Sales</b>	<b>Subscription Sales</b>	<b>Total iLottery Sales</b>	<b>% of DBG Sales</b>	<b>% of Total Sales</b>
2018 <sup>1</sup>	\$27,611,697	\$15,926,818	\$43,538,515	4.2%	1.5%
2019 <sup>2</sup>	\$39,864,695	\$17,870,795	\$57,735,490	5.2%	1.9%
2020	\$72,236,397	\$13,988,021	\$86,224,418	9.0%	3.0%
2021	\$153,710,298	\$16,360,434	\$170,070,732	13.7%	4.9%
2022	\$261,466,730	\$17,280,757	\$278,747,487	22.5%	8.2%
2023	\$498,795,112	\$18,817,190	\$517,612,302	33.0%	14.3%
2024	\$662,466,389	\$19,418,260	\$681,884,649	39.8%	17.7%
2025	\$682,861,382	\$18,652,327	\$701,513,709	44.1%	18.6%
2026 Q1-Q3	\$556,469,306	\$14,675,436	\$571,144,742	44.5%	19.5%

*Table 4 iLottery Sales breakdown.*

The Department’s iLottery (internet) program was expanded in FY20 by House Bill 3661 which was signed into law by Gov. JB Pritzker on June 28, 2019. The bill extended the iLottery program by three years, through 2022, and allowed the Department to sell all its draw-based games (DBGs) through the iLottery program without a subscription. Previous legislation only allowed the sale of Mega Millions, Powerball, and Lotto without a subscription online. Lottery players were able to take advantage of these new capabilities in the beginning of FY20 which helped fuel iLottery’s meteoric rise over the past 6 years. Allwyn’s iLottery mobile app and website interface that went live in Q3 of FY19 leveraged the new capabilities of the law and were supported by new game development, innovation and various marketing efforts which were designed to build awareness and widen the base of players who play online. In FY23 the Department’s new retail draw-based game, Fast Play, was launched online. This accounted for the large increase from FY22 to FY23 sales.

On June 16, 2025, Gov. JB Pritzker signed Senate Bill 2456 (PA 104-0010) which extended the iLottery program through FY28. Efforts continue to maintain and extend the iLottery program.

<sup>1</sup> FY18 was a partial year for Allwyn who assumed private management responsibilities in Q3.

<sup>2</sup> The Department transitioned to the Allwyn’s iLottery platform in late Q3 2019

FY26 Q1-Q3 iLottery sales were over \$571 million which is a 7% increase over FY25 Q1-Q3 sales. iLottery sales account for approximately 45% of all draw-based games sales and 20% of total sales in FY26 Q1-Q3.

## **Responsible Gaming**

The Illinois Lottery is committed to responsibly growing sales and maximizing economic benefits for the State of Illinois, while providing players with tools and resources to support positive play.

## **Certifications**

To ensure continuous improvement of responsible gaming efforts consistent with industry best practices, the Illinois Lottery maintains nationally and internationally recognized responsible gaming certifications. The Illinois Lottery maintains the highest level of responsible gaming certification from the World Lottery Association. To qualify for Level 4 certification under the rigorous standards, the Illinois Lottery demonstrates an ongoing commitment to incorporate and continuously improve responsible gaming practices in day-to-day operations.

Additionally, the Illinois Lottery maintains the highest level of responsible gaming verification – Sustaining Level – from the North American Association of State and Provincial Lotteries and the National Council on Problem Gambling by demonstrating strong leadership in responsible gaming efforts.

## **Research**

### **Gift Responsibly Campaign**

To inform the development of the 2025 holiday Gift Responsibly campaign, a survey of Illinois Lottery players was conducted to identify the top message for communicating that lottery tickets are never appropriate gifts for minors. “Lottery Tickets are Gifts for Adults - Not Kids. Gift Responsibly” was the strongest performing message overall and tested best among respondents for clearly communicating the campaign goals.

Post-campaign analysis on the 2025 Gift Responsibly campaign efforts were performed, in addition to testing messaging prior to campaign launch. Findings from the post-review survey indicated the effectiveness of the campaign to encourage adults not to gift lottery tickets to minors was neutral to slightly positive. 19% of respondents reported seeing a campaign ad (up from 16% in 2024, and 12% in 2023) and 62% of those who recalled seeing the ads said they’d be less likely to gift a lottery ticket to a minor, compared to 41% of those who did not recall seeing the ads.

### **Problem Gambling Awareness Month Campaign**

In advance of the 2026 Problem Gambling Awareness Month (PGAM) campaign, testing was performed to identify a message that was understandable, memorable, and well-liked. “Don’t Struggle in Silence: call 1-800-GAMBLER” tested best and was selected to anchor March campaign efforts.

A post-campaign survey on the 2026 Problem Gambling Awareness Month (PGAM) campaign efforts was conducted. The survey results indicated that the campaign’s advertisements with the slogan “Don’t Struggle in Silence: call 1-800-GAMBLER” were considered effective. While only 34% of respondents reported seeing the campaign ad, a slightly larger percentage of those who recalled the ad said they were Very Likely/Extremely Likely to remember what helpline to call six months from now (47%) vs. those who didn't recall the ad (24%).

## **Employee Program**

### **Product Team Refresher Training**

Responsible gaming refresher training was provided to the Product team to review the Gamgard evaluation process, as well as the responsible gaming standards and considerations that inform the development of all Illinois Lottery games. Feedback on the training was positive, with 100% of participants reporting that they found the refresher training useful.

### **Responsible Gaming Refresher Training**

As part of the 2026 Problem Gambling Awareness Month (PGAM) campaign efforts, in-person responsible gaming refresher training was offered to all employees in March. The training provided a refresher on the ways in which the Illinois Lottery promotes a fun and healthy gaming environment for players. Around 90 employees participated in the optional training, with 93% reporting that the training increased their knowledge of responsible gaming. Lottery Sales Representatives RG Training

## **Player and Retailer Education**

### **Responsible Gaming Awareness Campaigns**

The Illinois Lottery launched two statewide responsible gaming campaigns to promote positive play during the year. Throughout November and December 2025, a “Gift Responsibly” message was widely promoted to remind adults that lottery tickets are not suitable gifts for children. During March 2026, which is recognized throughout the U.S. as problem gambling awareness month, the Illinois Lottery helped to raise awareness of problem gambling and available treatment services. Efforts for both campaigns included social media messaging, radio public service announcements, messaging on customer-facing screens in lottery retail locations, advertisements, and media releases.

### **Multicultural Media Responsible Gaming Awareness**

To increase the Illinois Lottery’s responsible gaming awareness messaging throughout the year, dedicated responsible gaming print and digital advertisements were created, in both English and Spanish, to display by multicultural media partners throughout August 2025. The advertisements included responsible gaming tips and information, including reminders for players to “Set a limit, stick to it”, “Play for fun - not funds”, and “Remember, it’s a game of chance”. The Illinois Lottery also ran a radio spot in August to remind players to play responsibly and to call the 1-800-GAMBLER helpline if they or someone they know is experiencing gambling-related harm.

## **Stakeholder Engagement**

### **Problem Gambling Support Sponsorships**

The Illinois Lottery was an Impact-level sponsor at the Way Back Inn’s Annual Rebuilders Dinner. The Way Back Inn is a non-profit organization in Illinois that supports individuals recovering from drug, alcohol, and gambling use disorders, and the funds raised from the dinner support addiction treatment services in Illinois.

The Illinois Lottery sponsored the 3rd Annual Latinx Conference on Problem Gambling in September. The conference was organized by the Illinois Council on Problem Gambling (ICPG) and aimed to raise awareness about problem gambling and its impact on individuals and families within the Latinx community, and to initiate conversations on effective prevention and support strategies.

In February, the Illinois Lottery sponsored the 3rd Annual African American / Black Conference on Problem Gambling to raise awareness about problem gambling in the African American / Black

community and initiate conversations on effective prevention and support strategies. The event was organized by the Illinois Council on Problem Gambling, and representatives from the Illinois Lottery’s responsible gaming program were in attendance.

**Stakeholder Education**

A representative from the Illinois Lottery’s responsible gaming program presented at the ICPG’s Responsible Gifting webinar in mid-November for problem gambling providers in Illinois. Information about the Lottery’s commitment to responsible gaming and 2025 Gift Responsibly campaign efforts were shared as part of the presentation.

**Reporting**

To promote the transparency of the Illinois Lottery’s responsible gaming efforts and encourage stakeholder feedback on opportunities to advance the responsible gaming program, the Illinois Lottery’s published its annual responsible gaming report covering activities from calendar year 2025. The report was shared with representatives from key stakeholders and made publicly available on the Our Commitment Responsible Play webpage on IllinoisLottery.com.

**BEP Spending**

The Private Management Agreement (PMA) encourages Allwyn to maintain a goal that awards at least 20 percent of the company’s spend in marketing, advertising, and shipping/freight to State of Illinois BEP-certified minority owned businesses. Although the PMA only requires a goal of 20%, The Department has encouraged Allwyn to support the new 30% goal as stated in (30 ILCS 575/) the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

For FY26, the total budgeted spend by Allwyn in these areas was anticipated to be \$43,972,420 resulting in a 30% BEP spending goal of \$13,191,729 for FY26. Allwyn’s BEP spend in FY26 through Q3 was \$10,215,454. Therefore, Allwyn has achieved approximately 77% of their BEP spending goal for FY26 and 23% of total spend thus far.

<b>FY26</b>	<b>BEP Spend</b>
Q1	\$3,648,101
Q2	\$3,693,465
Q3	\$2,873,887
Q4	<i>Q4 not completed</i>
<b>Total</b>	<b>\$10,215,454</b>

*Table 5 – BEP Spend by Quarter*