



Ontario Horse Racing Industry Performance Results [Fiscal Year 2017-18 Q4]

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PERFORMANCE MANAGEMENT EXCELLENCE GROUP (PMEG)

BACKGROUND

The Performance Management Excellence Group or “PMEG” is a horse racing industry working group, established and led by the Ontario Lottery and Gaming Corporation (OLG) with representation from Ontario Racing and government agencies, that is committed to building a sustainable horse racing industry by providing up-to-date facts and information related to the horse racing sector in Ontario.

OVERARCHING GOAL

Contributing to the efficient and effective management of funding through a systematic and integrated approach to performance management.

Members:

Ontario Lottery & Gaming Corporation (OLG)

Ministry of Finance (MOF)

Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)

Ontario Racing (OR)

Alcohol and Gaming Commission of Ontario (AGCO)

KEY PERFORMANCE INDICATORS DEFINED


#	Name	Definition	Unit of Measure	Data Source
1	Gross Bet on Ontario Races	<ul style="list-style-type: none"> Total gross wagering on Ontario races 	M\$	Canadian Pari-Mutuel Agency
2	Total Count of Tickets Sold at Racetracks	<ul style="list-style-type: none"> Total number of wagering tickets sold live at all racetracks across Ontario 	Count	Racetracks
3	Average Ontario Yearling Sales Price	<ul style="list-style-type: none"> Average sales price of Ontario yearlings sold at all Thoroughbred and Standardbred yearling sales (Ontario and abroad) <p><i>Note: Quarter horse yearling sales are conducted privately and, therefore, excluded from this metric.</i></p>	\$/yearling	Canadian Thoroughbred Horse Society; Standardbred Canada; Ontario Racing
4	Average Field Size	<ul style="list-style-type: none"> Average number of starters (not unique) per race in Ontario 	Starters/Race	Equibase Company LLC; Standardbred Canada; Ontario Racing
5	Total # of Unique Starters	<ul style="list-style-type: none"> Total # of unique horses starting a race in Ontario 	Count	Equibase Company LLC; Standardbred Canada; Ontario Racing

EXECUTIVE SUMMARY [FISCAL YEAR 2017-18 Q4]

- Comparing the full Fiscal Year 2017-18 to 2016-17, gross wagering on Ontario races increased by 2.9%, driven by growth in the Thoroughbred handle originating from the United States.
- The volume of betting tickets sold live, at racetracks across Ontario, declined compared to the previous year (-1.7%), driven by decreases for Thoroughbreds (-2.6%), Standardbreds (-0.4%), and Quarter Horses (-1.1%). When normalizing for the number of races, the count of tickets per race increased by 1.7%.
- The Ontario horse racing industry continues to experience a horse supply shortage, as demonstrated by a reduced number of unique starters across all breeds relative to Fiscal Year 2016-17. Thoroughbreds and Standardbreds contributed to the bulk of this unfavorable variance.
- To minimize the impact resulting from a reduced horse supply, the number of races declined to maintain average field sizes to levels consistent with the previous year. These adjustments helped partially offset the horse shortage effect, with year-to-date average field sizes down for all breeds (-1.5%) but to a lesser extent than the number of unique starters (-4.3%).
- The number of Ontario yearlings sold went up by almost 18% with a notable lift in the average Ontario yearling sales price (5.8%), mainly driven by higher sales prices for Thoroughbred yearlings sold at auctions in Kentucky and New York.

PERFORMANCE DASHBOARD [INDUSTRY]

Ontario Horse Racing Industry Performance Dashboard – Fiscal Year 2017-18 Year to Date (Apr 1, 2017 - Mar 31, 2018)

VISION To enable and grow a prosperous, dynamic horse racing sector positioned for long-term viability and success in Ontario	
MISSION Building a sustainable horse racing industry in Ontario through fact-based decision-making	
VALUES Accountability • Integrity • Respect • Transparency	

	Year to Date		
	Actual	Prior Year	Change (%) ²
More self-sufficient sector that sustains jobs			
Gross Bet on Ontario Races (M\$)	966.9	939.8	2.9%
Total Count of Tickets Sold at Racetracks (Count)	8,662,868	8,810,407	-1.7%
Average Ontario Yearling Sales Price (\$/Yearling) ¹	43,774	41,384	5.8%
Average Field Size (# of Starters per Race)	7.9	8.0	-1.5%
Total # of Unique Starters (Count)	6,782	7,086	-4.3%

¹ Average Ontario Yearling Sales Price is for Thoroughbred and Standardbred only. Quarter horse yearling sales are conducted privately and, therefore, excluded from this metric.

² The change vs. previous year colour status compares the performance results to the previous year's results using threshold ranges to allocate colours. Please refer to the colour status legend below.

Change vs. Previous Year Colour Status Legend					
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE DASHBOARD [THOROUGHBRED]

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	Year to Date		
	Actual	Prior Year	Change (%) ²

More self-sufficient sector that sustains jobs

Gross Bet on Ontario Races (M\$)	530.2	500.7	5.9%
Total Count of Tickets Sold at Racetracks (Count)	4,939,332	5,071,924	-2.6%
Average Ontario Yearling Sales Price (\$/Yearling) ¹	57,379	47,917	19.7%
Average Field Size (# of Starters per Race)	8.0	8.1	-1.0%
Total # of Unique Starters (Count)	2,374	2,479	-4.2%

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Change vs. Previous Year Colour Status Legend					
	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE DASHBOARD [STANDARD BRED]

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	Year to Date		
	Actual	Prior Year	Change (%) ²

More self-sufficient sector that sustains jobs

Gross Bet on Ontario Races (M\$)	435.0	437.4	-0.5%
Total Count of Tickets Sold at Racetracks (Count)	3,638,959	3,652,974	-0.4%
Average Ontario Yearling Sales Price (\$/Yearling) ¹	35,577	37,494	-5.1%
Average Field Size (# of Starters per Race)	7.9	8.0	-1.6%
Total # of Unique Starters (Count)	4,123	4,320	-4.6%

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Change vs. Previous Year Colour Status Legend					
	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE DASHBOARD [QUARTER HORSE]

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Year to Date

Actual

Prior Year

Change (%) ²

More self-sufficient sector that sustains jobs

	Actual	Prior Year	Change (%) ²
Gross Bet on Ontario Races (M\$)	1.7	1.7	-1.4%
Total Count of Tickets Sold at Racetracks (Count)	84,577	85,509	-1.1%
Average Ontario Yearling Sales Price (\$/Yearling) ¹	Not Applicable		
Average Field Size (# of Starters per Race)	7.2	7.4	-2.5%
Total # of Unique Starters (Count)	285	287	-0.7%

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Change vs. Previous Year Colour Status Legend

	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable

Actual Value Colour Status Legend

	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE TREND DASHBOARD [INDUSTRY]

Ontario Horse Racing Industry Performance Trend Dashboard – Fiscal Year 2017-18 Year to Date (Apr 1, 2017 - Mar 31, 2018)

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	Q1	Q2	Q3	Q4	YTD
More self-sufficient sector that sustains jobs					
Gross Bet on Ontario Races (M\$)	262.8	348.0	259.5	96.5	966.9
Total Count of Tickets Sold at Racetracks (Count)	2,321,856	3,461,676	2,179,388	699,948	8,662,868
Average Ontario Yearling Sales Price (\$/Yearling) ¹	Data collected annually				43,774
Average Field Size (# of Starters per Race)	7.9	7.7	8.2	7.8	7.9
Total # of Unique Starters (Count)	4,302	5,101	4,208	1,721	6,782

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² Year over year change colour status compares the performance results for each quarter to the same quarter the previous year using threshold ranges to allocate colours.

Year Over Year Change Colour Status Legend ²					
	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE TREND DASHBOARD [THOROUGHBRED]

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	Q1	Q2	Q3	Q4	YTD
More self-sufficient sector that sustains jobs					
Gross Bet on Ontario Races (M\$)	147.1	230.2	153.0	Not Applicable	530.2
Total Count of Tickets Sold at Racetracks (Count)	1,424,223	2,226,067	1,289,042	Not Applicable	4,939,332
Average Ontario Yearling Sales Price (\$/Yearling) ¹	Data collected annually.				57,379
Average Field Size (# of Starters per Race)	7.7	7.7	8.8	Not Applicable	8.0
Total # of Unique Starters (Count)	1,439	1,866	1,609	Not Applicable	2,374

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Year Over Year Change Colour Status Legend ²					
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE TREND DASHBOARD [STANDARD BRED]

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	Q1	Q2	Q3	Q4	YTD
More self-sufficient sector that sustains jobs					
Gross Bet on Ontario Races (M\$)	115.4	116.9	106.2	96.5	435.0
Total Count of Tickets Sold at Racetracks (Count)	872,406	1,186,918	879,687	699,948	3,638,959
Average Ontario Yearling Sales Price (\$/Yearling) ¹	Data collected annually				35,577
Average Field Size (# of Starters per Race)	7.9	7.8	8.1	7.8	7.9
Total # of Unique Starters (Count)	2,663	2,965	2,409	1,721	4,123

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Year Over Year Change Colour Status Legend ²					
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Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

PERFORMANCE TREND DASHBOARD [QUARTER HORSE]

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	Q1	Q2	Q3	Q4	YTD
More self-sufficient sector that sustains jobs					
Gross Bet on Ontario Races (M\$)	0.4	0.9	0.4	Not Applicable	1.7
Total Count of Tickets Sold at Racetracks (Count)	25,227	48,691	10,659	Not Applicable	84,577
Average Ontario Yearling Sales Price (\$/Yearling) ¹	Not Applicable				
Average Field Size (# of Starters per Race)	7.4	7.1	7.1	Not Applicable	7.2
Total # of Unique Starters (Count)	200	270	190	Not Applicable	285

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Year Over Year Change Colour Status Legend ²					
Gross Bet	<-5%	≥-5% up to <+1.2%	≥+1.2% up to <+5%	≥+5%	Not Applicable
Total Count of Tickets Sold	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Avg Ontario Yearling Price	<-10%	≥-10% up to <0%	≥0% up to <+10%	≥+10%	Not Applicable
Unique Starters	<-2.5%	≥-2.5% up to <0%	≥0% up to <+2.5%	≥+2.5%	Not Applicable
Actual Value Colour Status Legend					
Average Field Size	<7.5	≥7.5 up to <8.0	≥8.0 up to <8.4	≥8.4	Not Applicable

RESTRICTIONS & LIMITATIONS

This report was prepared by a Performance Management Excellence Group (PMEG) led by the Ontario Lottery and Gaming Corporation (OLG), using information collected by and received from third party sources. This information has not been independently verified by OLG or the PMEG. Readers are cautioned that past performance may not be indicative of future results. Any conclusion, forecast, projection or other forward-looking information is inherently subject to change and uncertainty, and actual results may differ materially. None of OLG, any member of the PMEG or any of our third party sources represents or warrants as to the accuracy, interpretation, completeness, sufficiency or reliability of the information contained herein, and all liability arising from the adoption, use or application of such information by any person is hereby expressly disclaimed.