

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (date of earliest event reported): August 9, 2022

Digital Media Solutions, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation)

4800 140th Avenue N., Suite 101
Clearwater, Florida
(Address of principal executive offices)

001-38393
(Commission File Number)

98-1399727
(IRS Employer Identification No.)

33762
(Zip Code)

(877) 236-8632
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	DMS	New York Stock Exchange
Redeemable warrants to acquire Class A common stock	DMS WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

The executive officers of Digital Media Solutions, Inc. (the "Company") intend to use the material filed herewith, in whole or in part, in one or more meetings with investors and analysts. A copy of the investor presentation is attached hereto as Exhibit 99.1.

The Company does not intend for this Item 7.01 or Exhibit 99.1 to be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended, or incorporated into its filings under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit relating to Item 7.01 shall be deemed to be "furnished" and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section:

<u>Exhibit Number</u>	<u>Description</u>
99.1 104	Digital Media Solutions, Inc. Investor Presentation Cover Page Interactive File (the cover page tags are embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 9, 2022

Digital Media Solutions, Inc.

Name:	<u>/s/ Richard Rodick</u>
Title:	Richard Rodick Chief Financial Officer

Investor Presentation

August 2022



Digital Media Solutions (NYSE: DMS) is a leading provider of technology-enabled, data-driven digital performance advertising solutions connecting consumers and advertisers. Through our brand-direct and marketplace campaigns, DMS increases consumer access to branded products, services, promotions and savings while removing friction from the advertising ecosystem by delivering the right message to the right person at the right time and place.

NYSE: DMS

Safe Harbor

This presentation includes "forward-looking statements" within the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are made in reliance upon the "safe harbor" protections provided by such acts for forward-looking statements. These forward-looking statements are often identified by words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions. These forward-looking statements include, without limitation, DMS's expectations with respect to its future performance and its ability to implement its strategy, and are based on the beliefs and expectations of our management team from the information available at the time such statements are made. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside DMS's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the COVID-19 pandemic or other public health crises; (2) changes in client demand for our services and our ability to adapt to such changes; (3) the entry of new competitors in the market; (4) the ability to maintain and attract consumers and advertisers in the face of changing economic or competitive conditions; (5) the ability to maintain, grow and protect the data DMS obtains from consumers and advertisers; (6) the performance of DMS's technology infrastructure; (7) the ability to protect DMS's intellectual property rights; (8) the ability to successfully source and complete acquisitions and to integrate the operations of companies DMS acquires, including Traverse Data, Inc., the assets of Crisp Marketing, LLC and Aimtell, Inc., PushPros, Inc. and Aramis Interactive; (9) the ability to improve and maintain adequate internal controls over financial and management systems, and remediate the identified material weakness; (10) changes in applicable laws or regulations and the ability to maintain compliance; (11) our substantial levels of indebtedness; (12) volatility in the trading price on the NYSE of our common stock and warrants; (13) fluctuations in value of our private placement warrants; and (14) other risks and uncertainties indicated from time to time in DMS's filings with the SEC, including those under "Risk Factors" in DMS's Annual Report on Form 10-K and its subsequent filings with the SEC. There may be additional risks that we consider immaterial or which are unknown, and it is not possible to predict or identify all such risks. DMS cautions that the foregoing list of factors is not exclusive. DMS cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. DMS does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

Non-GAAP Financial Measures

In addition to providing financial measurements based on accounting principles generally accepted in the United States of America ("GAAP"), this presentation includes additional financial measures that are not prepared in accordance with GAAP ("non-GAAP"), including adjusted EBITDA, unlevered free cash flow, unlevered free cash flow conversion and Variable Marketing Margin. Definitions of each non-GAAP financial measure can be located in the Appendix.

A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures can be found below. For guidance purposes, the company is not providing a quantitative reconciliation of adjusted EBITDA and Variable Marketing Margin in reliance on the "unreasonable efforts" exception for forward-looking non-GAAP measures set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated without unreasonable effort and expense.

We use these financial measures internally to review the performance of our business units without regard to certain accounting treatments and non-recurring items. We believe that presentation of these non-GAAP financial measures provides useful information to investors regarding our results of operations. Because of these limitations, management relies primarily on its GAAP results and uses non-GAAP measures only as a supplement.

Financial Performance Overview

as reported in the 10K and 10Q					
	2021	Subtract: 1H '21	Q3-Q4 YTD	Add: 1H '22	LTM
Net revenue	\$ 427,935	\$ 201,882	\$ 226,053	\$ 200,307	\$ 426,360
Cost of revenue	300,016	140,541	159,474	145,624	305,098
Salaries and related costs	48,014	21,977	26,037	26,945	52,982
General and administrative expenses	43,049	17,514	25,535	23,544	49,080
Acquisition costs	1,967	1,400	567	252	858
Change in fair value of contingent consideration liability	1,106	560	546	2,536	3,082
Depreciation and amortization	25,401	12,463	12,938	14,233	27,170
Other income	0	0	0	0	0
Income (loss) from operations	\$ 8,383	\$ 7,427	\$ 956	\$ (12,867)	\$ (11,911)
Interest expense	14,166	6,879	7,288	7,502	14,790
Change in fair value of warrant liabilities	(18,115)	(7,435)	(10,680)	(3,480)	(14,160)
Change in tax receivable agreement liability	(15,289)	0	(15,289)	0	(15,289)
Loss on extinguishment of debt	2,108	2,108	0	0	0
Loss on disposal of assets	8	0	8	0	8
Net income (loss) before income taxes	\$ 25,504	\$ 5,675	\$ 19,630	\$ (16,889)	\$ (12,541)
Income tax expense	19,311	1,148	18,163	355	18,519
Net income (loss)	\$ 6,193	\$ 4,727	\$ 1,466	\$ (17,244)	\$ (31,060)
Adjustments:					
Interest expense	14,166	6,879	7,288	7,502	14,790
Income tax expense	19,311	1,148	18,163	355	18,519
Depreciation and amortization	25,401	12,463	12,938	14,233	27,170
Change in fair value of warrant liabilities ⁽¹⁾	(18,115)	(7,435)	(10,680)	(3,480)	(14,160)
Change in tax receivable agreement liability	(15,289)	0	(15,289)	0	(15,289)
Debt extinguishment	2,108	2,108	0	0	0
Stock-based compensation	6,463	2,530	3,933	3,908	7,841
Restructuring	1,118	81	1,038	2,178	3,216
Acquisition costs ⁽²⁾	3,073	1,960	1,113	2,828	3,940
Other expense ⁽³⁾	6,744	3,242	3,501	3,234	6,735
Subtotal before additional adjustments	51,173	27,703	23,470	13,514	21,702
Pro Forma Cost Savings - Reorganization ⁽⁴⁾	31	31	0	0	0
Pro Forma Cost Savings - Acquisitions ⁽⁵⁾	3,330	1,800	1,530	0	1,530
Acquisition EBITDA	2,711	2,711	0	0	0
Accounts reserved	944	0	944	0	944
Adjusted EBITDA	58,189	32,245	25,944	13,514	39,458
Capital Expenditures	9,114	4,212	4,902	3,197	8,099
Unlevered Free Cash Flow	49,075	28,033	21,042	10,317	31,359
Unlevered Free Cash Flow Conversion	84.3%	86.9%	81.1%	76.3%	79.5%
Adjusted EBITDA Margin %	13.6%	16.0%	11.5%	6.7%	9.3%

1. Market-to-market warrant liability adjustments.

2. Balance includes business combination transaction fees and related payments on Company's EIP, acquisition incentive payments, contingent consideration accretion, earnout payments and pre-acquisition expenses.

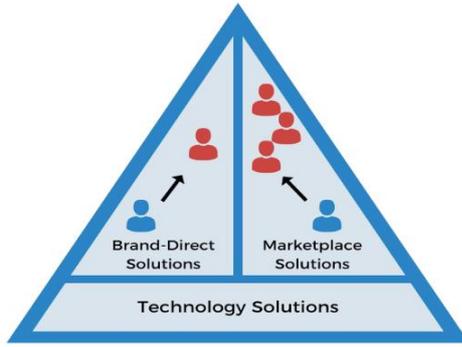
3. Balance includes legal fees associated with acquisitions and other extraordinary matters, costs related to philanthropic initiatives, and private warrant transaction related costs.

4. Costs savings as a result of the company reorganization initiated in Q2 2020.

5. Cost synergies expected as a result of the full integration of the acquisitions.

Performance-Based Digital Advertising Solutions

Unparalleled Data Signals
Powered by DMS first-party data asset. Boosts ROI by identifying consumers to reactivate, re-engage and retain.



Proprietary Technology
Our end-to-end technology stack provides a singular source of truth while acting as a connector between our first-party data asset and our expansive media reach.

Expansive Media Reach
DMS is channel agnostic. Our 1P and 3P digital media reach is expansive, allowing us to connect advertisers with consumers where they are shopping and spending time.



Through our marketplaces and brand-direct campaigns, DMS increases consumer access to branded products, services, promotions and savings opportunities.

As a result, DMS provides superior customer acquisition solutions to our broad-based digital advertiser clients.

- Competitive advantage from first-party data asset that provides real-time, actionable consumer insights and data signals proven effective at driving growth and protecting margins
- Proven value proposition supports consumer optionality and advertiser need to de-risk media spend while scaling results
- Industry-agnostic solutions serve growing portfolio of loyal blue-chip advertiser clients across fast-growing verticals, including insurance, ecommerce and consumer finance
- Dynamic diversification within insurance and other verticals allows us to pivot in parallel with consumer and advertiser demand to maintain growth momentum
- Attractive financial profile, through long-term achievement of EBITDA profitability and FCF generation, plus demonstrated track record of accretive M&A further accelerating growth

DMS Q2 2022 LTM¹ Financial Summary

\$426MM

Net Revenue

\$39MM

Adj. EBITDA²

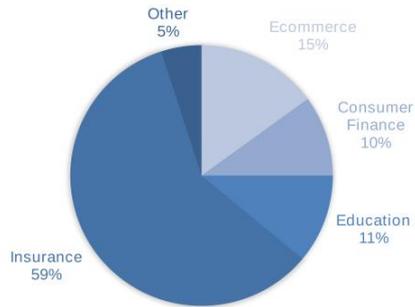
9.3%

% EBITDA Margin²

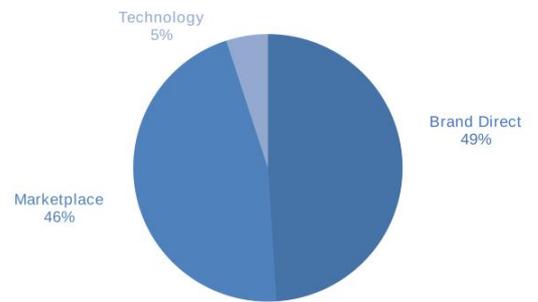
79.5%

% Unlevered FCF Conversion²

LTM Gross Revenue by Vertical



LTM Gross Revenue by Segment



1. LTM is defined as the twelve months ending June 30, 2022.
2. This is a non-GAAP financial measure. Refer to appendix for additional detail.

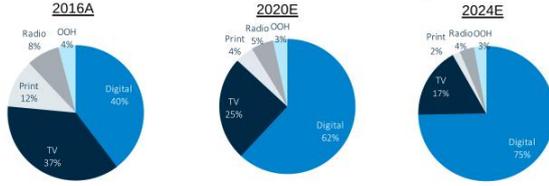
Significant Reach Of The DMS Platform



DMS TAM¹ Benefits From Growing Digital Ad Spend

U.S. Ad Spend Mix

Digital advertising continues to represent a greater percentage of overall mix, and is now estimated to be in excess of 65% of total advertising spend in the U.S.



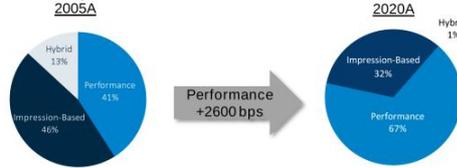
Note: "OOH" = out of home

U.S. Digital Ad Spend & Growth

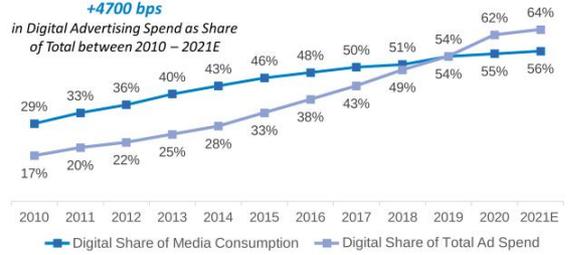


Digital Spend By Advertising Type²

Performance advertising has become increasingly popular due to its inherent accountability.



Digital Share Of Ad Spend Vs. Share Of Media Consumption



Sources: eMarketer, March 2021; IAB; PwC; Company reports; IAB, OAAA, RAB, PwC, Magna Global, Canaccord Genuity Equity Research

1. Impression-based denotes CPM-based (cost-per-thousand) ad pricing.
2. TAM refers to "Total Addressable Market."



Data Flywheel

Part Of Industry-Leading
Toolset



Scaled Spend

Reliable ROI Drives
Growth Of Client Spend



Dynamic Diversification

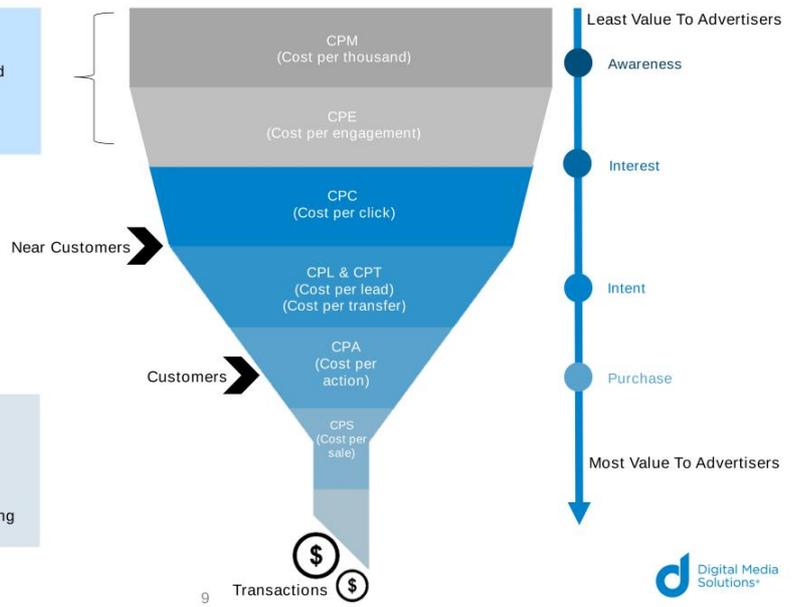
Vertical-Agnostic &
Channel-Agnostic

DMS De-Risks Advertising Spend

- Branding**
- ✓ Unregistered
 - ✓ Unqualified
 - ✓ View/Click
 - ✓ Browsing

Unlike traditional advertising, digital performance advertising enables advertisers to pay only for qualified intent and outcomes.

- Performance Advertising**
- ✓ Registered
 - ✓ Qualified
 - ✓ Lead/Purchase
 - ✓ Researching



Improved advertising ROI drives scaled spend with DMS, accelerating the flywheel

5 Dynamic First-Party Data Asset

Opt-in first-party data is collected in a data asset with billions of precedent engagements that provides real-time, actionable consumer insights and consumer intent signals that help to put the right message in front of the right consumer at the right time

4 Brand Partners Acquire High-Intent Consumers

DMS delivers qualified, high-intent consumers to brand advertisers at a large scale

3a Call Center Engagement

Minority of business flows through owned and third-party call centers for further data collection and qualification of purchase intent. Business allocated to call centers directed by demographic, temporal and other indicators to maximize value of business

1 DMS Engages Audiences to Drive Traffic

DMS has expansive digital media reach to ~70% of Americans across owned-and-operated websites, messaging, display / programmatic, email, native, search, social, connected TV and partners

Google TikTok Facebook YouTube

2 Multiple Avenues for Consumer Qualification

 Marketplace <i>DMS-Owned Digital Assets</i>	 Brand-Direct <i>Combination of DMS and Advertiser Owned Assets</i>
--	---

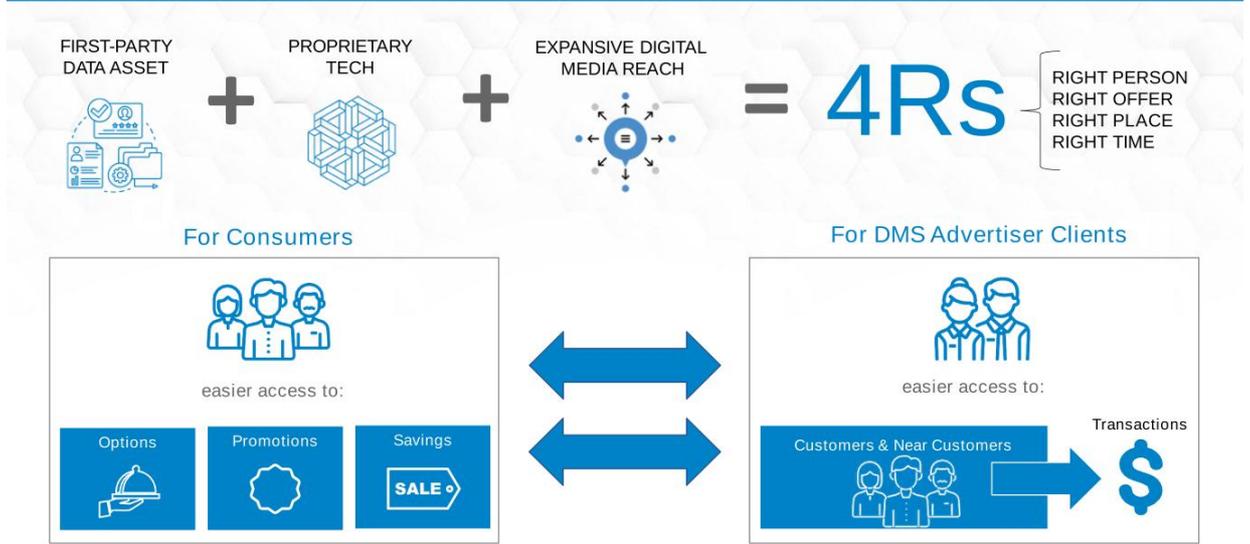
3 Proprietary Technology Platform

Consumers' specific and measurable actions drive traffic to the right platforms and are turned into data collected by DMS for the use in targeting high-intent consumers via DMS proprietary data technology

- Engagement tracking technology
- Real-time bidding click marketplace
- Data warehouse

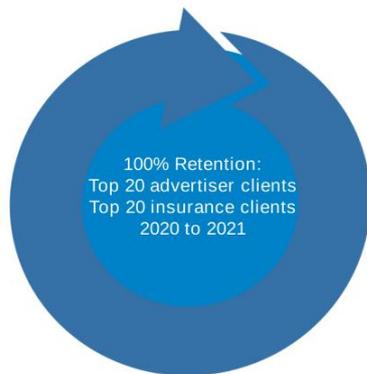


DMS Provides Value To Consumers & Advertisers



DMS Delivers Reliable Advertising ROI

The Flywheel Creates
Growth & Consistency
Among Top 20 Advertisers



Significant And Growing Brand Name
Roster Of Blue-Chip Clients Across



INSURANCE:

10 of the largest U.S. insurance firms across auto, home, life & health



ECOMMERCE:

Leading top consumer brands across ecommerce, DTC, food, retail and more



CONSUMER FINANCE:

Top 3 mortgage lenders + top 3 consumer reporting companies



CAREER & EDUCATION:

Top-tier large universities + large learning software providers



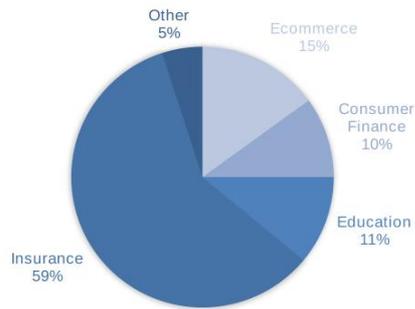
HOME SERVICES:

2 of the leading home security companies in the U.S.

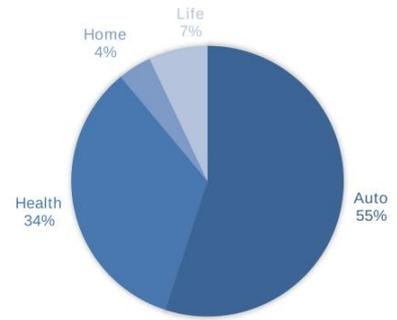


Dynamic Diversification – Advertiser Demand

LTM¹ Gross Revenue By Vertical



LTM¹ Insurance Gross Revenue By Insurance Vertical

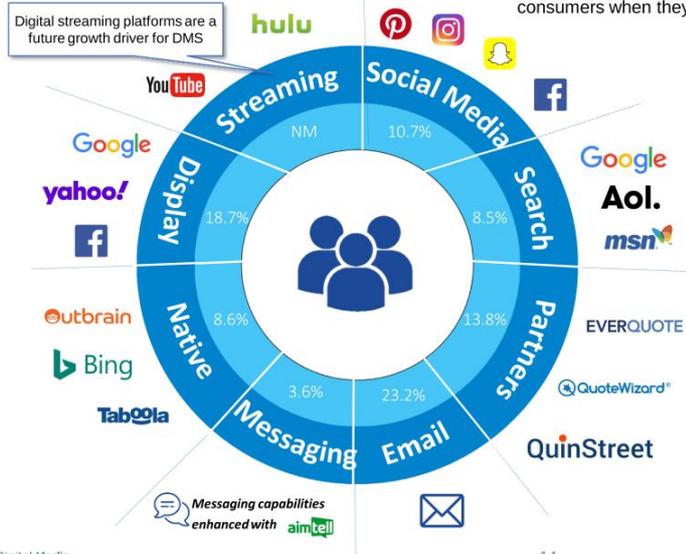


1. LTM is defined as the twelve months ending June 30, 2022.



Dynamic Diversification – Traffic & Media

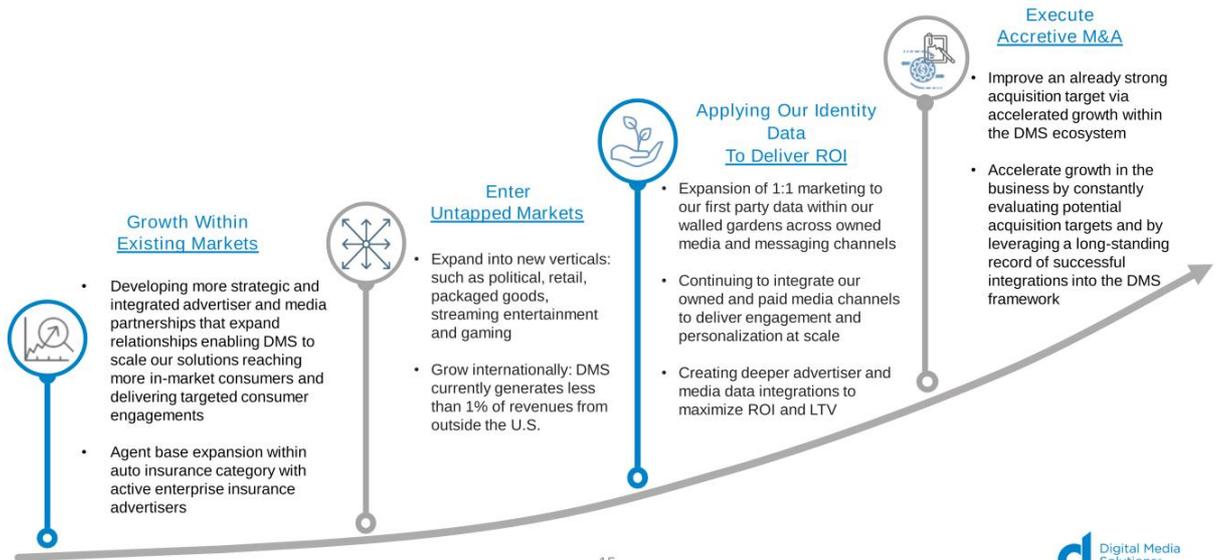
DMS targets audiences where they spend their time and engages high-intent consumers when they are ready to take action



Digital streaming platforms are a future growth driver for DMS

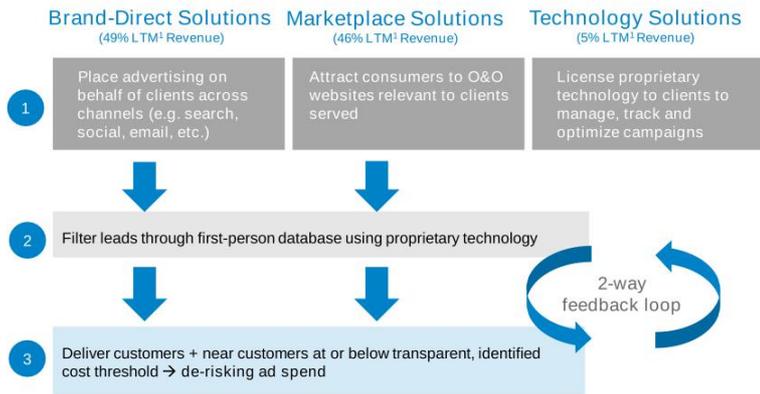
- Commentary**
- Nearly 100% digital channels
 - Deep digital media buying experience
 - Media distribution to every American consumer segment; reaching ~70% of U.S. adults
 - SaaS offering includes online real-time management of advertising activities and KPIs, such as channel performance and attribution
 - Aimtell / PushPros added powerful, AI-powered SaaS push technology to enhance consumer engagement with hyper-targeted messaging, leveraging advanced machine learning and customization features, to boost conversion rates and advertiser client ROI
 - As legacy methods of targeting are retired (e.g. Google third-party cookies), advertisers will place increasing value on first-party data and DMS solutions
 - No SEO exposure to algorithm risk

Key DMS Growth Drivers



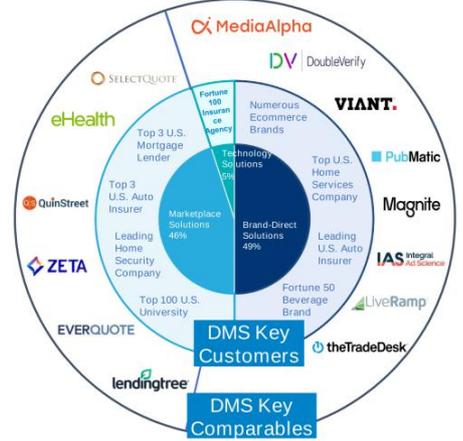
DMS Business Model & Mix

End-To-End Platform Optimizes Customer Acquisition At Attractive ROI



1. LTM is defined as the twelve months ending June 30, 2022.

DMS Business Mix (% Of Revenue)



14 Successful Acquisitions

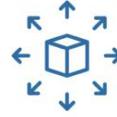
DMS Playbook

- 1 Management collaborated with third-party consultancy to streamline professionalized approach to M&A
- 2 Dedicated and experienced team manages M&A process
- 3 Maintain and evaluate pipeline of opportunities
- 4 Form internal SteerCo (key management plus associates with relevant expertise) to drive deal diligence, execution and integration
- 5 Post-closing, the target is integrated and fully harmonized into DMS within ~12 months
 - HR onboarding for new FTEs
 - Integration of IT systems, product management and sales

Core M&A Criteria



Add new verticals or strengthen existing verticals



Enhance distribution capabilities



Strengthen technology platform

Growing Insurance Market

Commentary

- While investments in digital ad spend have accelerated, the insurance market remains underpenetrated relative to other sectors
- COVID-19 advanced the digital transition, driving insurance carriers to evolve through increasing digital spend
- Consumers are increasingly researching and purchasing insurance policies online
- Digital channels are producing a disproportionate amount of growth in gross written periods, with expectations of current trends continuing through 2025

Customer Acquisition & Industry Ad Spend

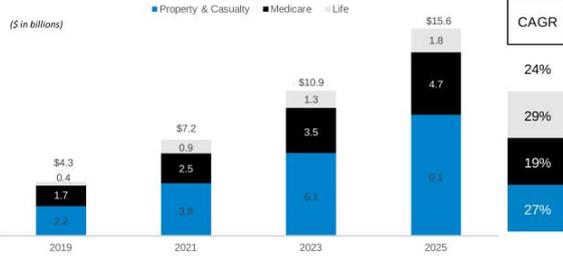
20-25%
% of budget allocated to customer acquisition in 2019



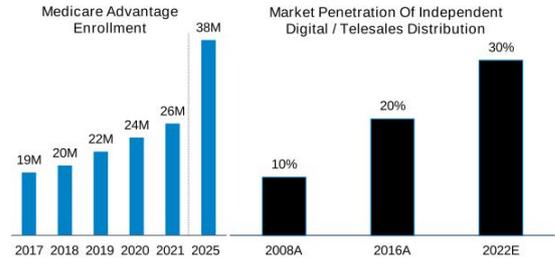
31%
Estimated % of budget allocated to customer acquisition in 2025

\$16b
2025 est. insurance industry digital spend

Digital Insurance Ad Spend

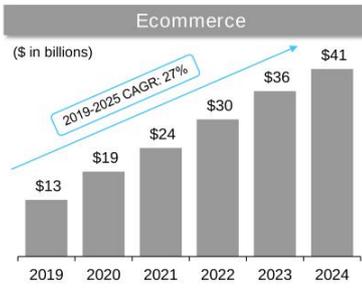


Expanding Medicare Brokerage Opportunities



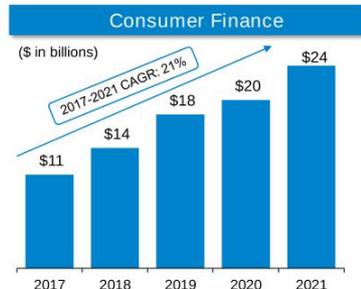
Sources: S&P Global Market Intelligence, CMS, eHealth, Kaiser Family Foundation, America's Health Insurance Plans, KFF, Wall Street Research.

Strong Customer Acquisition Spending Across Verticals



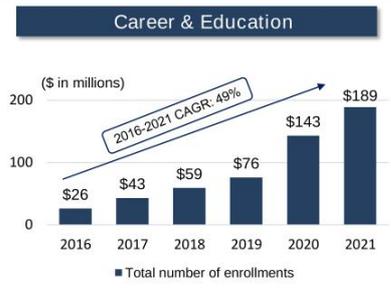
■ US Ecommerce Channel Digital Advertising Spending

- Ecommerce had been expected to double to \$4.5 trillion in 2021 from \$2.3 trillion in 2017
- Ecommerce sales are projected to be 22% of all retail sales by 2025, up from 14% in 2020



■ US Channel Consumer Finance Advertising Spending

- Due to the pandemic, 73% of US consumers shifted to digital banking and digital payments
- Due to the change in consumer behavior, banks and other financial services providers are focusing on improving the customer experience of their digital properties
- Financial services businesses will continue to use digital advertising to gain customers and boost brand reputation



■ Total number of enrollments

- Demand for online education is growing
- Digital marketing is more impactful toward business performance in the education sector compared to any other sector according to CMOs in 2021, according to The CMO Survey
- Continued digital transformation is expected to drive digital advertising spending increase in the education sector



Digital Media
Solutions®

3Q'22 & FY'22 FINANCIAL OUTLOOK

NYSE: DMS

Q3 + 2022 Full Year Guidance

	3Q22 (\$ in millions)	FY22 (\$ in millions)
GAAP Revenue	\$87 - \$90	\$390 - \$400
Adjusted EBITDA ¹	\$4 - \$6	\$30 - \$35
Gross Margin ¹	28% - 31%	28% - 31%
Variable Marketing Margin ¹	32% - 36%	32% - 36%

1. This is a non-GAAP financial measure. Refer to appendix for additional detail.



Digital Media
Solutions®

Investment Highlights

NYSE: DMS



Investment Highlights



1. A leading provider of diversified performance advertising solutions



2. Unique first-party data asset and proprietary technology platform optimize ROI and increase client retention



3. Serves a diverse range of strong, growing end markets



4. Strong retention rates with increasing spend from blue-chip customer base



5. Diverse and stable customer and supplier mix



6. Positioned for ongoing shift toward digital customer acquisition and increasing advertiser ROI focus



7. History of accretive M&A with significant pipeline of opportunities



8. Founder-led management team with strong track record and significant ownership



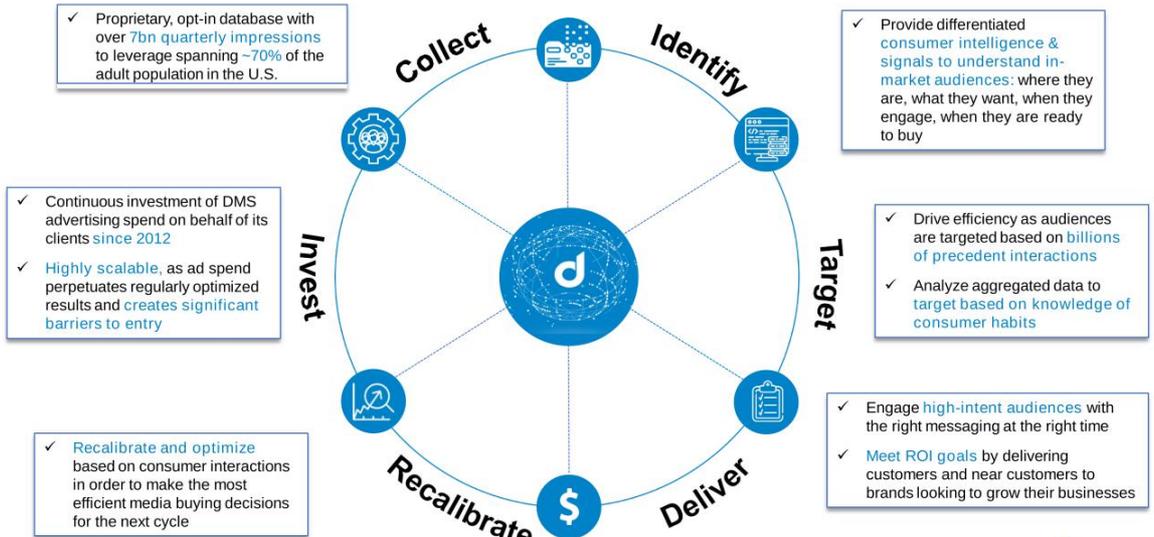
9. Strong organic growth with in-flight initiatives to drive continued success



10. Highly profitable with significant cash flow generation



Large & Powerful Data Asset



DMS Provides Solutions

The DMS Difference





Financial Profile Underpinned By Momentum

1 Underpenetrated total addressable market with significant growth prospects	2 Attractive end-markets and strong secular tailwinds	3 Diversified base of existing customers with trend of increasing spend over time
4 Asset light model with high free cash flow conversion	5 Track record of value creation through accretive M&A	6 Resilient business model through traditional business cycles and COVID

Founder-Led Management With Proven Track Record

Joe Marinucci
Chief Executive Officer



Co-Founder

- EY 2019 Entrepreneur of the Year
- Prior President and Co-Founder of Interactive Marketing Solutions
- Served as a Board Member of LeadsCouncil

Fernando Borghese
Chief Operations Officer



Co-Founder

- Successful track record of building high-performing teams that deliver measurable impact
- Previously Executive Vice President at DMI Partners, focused on developing performance-based solutions for clients
- Current Board Member of Professional Association of Customer Engagement (PACE)

Richard Rodick
Chief Financial Officer



- Nearly two decades of CFO and executive-level expertise from his time with multimillion and billion-dollar companies across a number of verticals
- Expertise includes financial reporting, financial planning and analysis, investor relations and acquisition valuation



Digital Media
Solutions®

Appendix

NYSE: DMS

Variable Marketing Margin

Variable Marketing Margin is a measure of the efficiency of the Company's revenue generation efforts, measuring revenue after subtracting the variable marketing and direct media costs that are directly associated with revenue generation. Variable Marketing Margin and Variable Marketing Margin % of revenue are key reporting metrics by which the Company measures the efficacy of its marketing and media acquisition efforts.

Variable Marketing Margin is defined as revenue less variable marketing expense. Variable marketing expense is defined as the expense attributable to variable costs paid for direct marketing and media acquisition costs, and includes only the portion of cost of revenue attributable to costs paid for this direct marketing activity and advertising acquired for resale to the Company's customers, and excludes overhead, fixed costs and personnel-related expenses. The majority of these variable advertising costs are expressly intended to drive traffic to our websites and to our customers' websites, and these variable advertising costs are included in cost of revenue on the company's consolidated statements of operations.

Adjusted EBITDA, Adjusted EBITDA Margin, Unlevered Free Cash Flow and Unlevered Free Cash Flow Conversion

We use the non-GAAP measures of adjusted EBITDA and unlevered free cash flow to assess operating performance. Management believes that these measures provide useful information to investors regarding DMS's operating performance and its capacity to incur and service debt and fund capital expenditures. DMS believes that these measures are used by many investors, analysts and rating agencies as a measure of performance. By reporting these measures, DMS provides a basis for comparison of our business operations between current, past and future periods by excluding items that DMS does not believe are indicative of our core operating performance. Financial measures that are non-GAAP should not be considered as alternatives to operating income, cash flows from operating activities or any other performance measures derived in accordance with GAAP as measures of operating performance, or cash flows as measures of liquidity. These measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, DMS relies primarily on its GAAP results and uses adjusted EBITDA and unlevered free cash flow only as a supplement.

Adjusted EBITDA is defined as net income (loss), excluding (a) interest expense, (b) income tax expense, (c) depreciation and amortization, (d) change in fair value of warrant liabilities, (e) debt extinguishment, (f) stock-based compensation, (g) change in tax receivable agreement liability, (h) restructuring costs, (i) acquisition costs and, (j) other expense. Adjusted EBITDA Margin is defined as adjusted EBITDA divided by Net Revenue.

In addition, we adjust to take into account estimated cost synergies related to our acquisitions. These adjustments are estimated based on cost-savings that are expected to be realized within our acquisitions over time as these acquisitions are fully integrated into DMS. These cost-savings result from the removal of cost and or service redundancies that already exist within DMS, technology synergies as systems are consolidated and centralized, headcount reductions based on redundancies, right-sized cost structure of media and service costs utilizing the most beneficial contracts within DMS and the acquired companies with external media and service providers. We believe that these non-synergized costs tend to overstate our expenses during the periods in which such synergies are still being realized.

Furthermore, in order to review the performance of the combined business over periods that extend prior to our ownership of the acquired businesses, we include the pre-acquisition performance of the businesses acquired. Management believes that doing so helps to understand the combined operating performance and potential of the business as a whole and makes it easier to compare performance of the combined business over different periods. Unlevered free cash flow is defined as adjusted EBITDA, less capital expenditures, and unlevered free cash flow conversion is defined as unlevered free cash flow divided by adjusted EBITDA.

