

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 10, 2021

**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 2.02. Results of Operations and Financial Condition.**

(a)

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, which discloses certain financial information for the last twelve months as of June 30, 2021. A copy of the investor presentation is attached hereto as Exhibit 99.1.

The information contained in this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall be deemed “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. In addition, neither such information nor Exhibit 99.1 attached hereto shall be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

**Item 7.01 Regulation FD Disclosure.**

The information in Item 2.02 is incorporated by reference herein.

The information contained in this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall be deemed “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. In addition, neither such information nor Exhibit 99.1 attached hereto shall be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

**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:

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

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# Investor Presentation

August 2021

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# Disclaimer

## Safe Harbor

This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. DMS's actual results may differ from its expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. 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 the Crisp Results assets and Airtell; (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 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/A 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 revenue, adjusted EBITDA, adjusted EBITDA margin, Pro Forma organic revenue growth, Pro Forma net revenue, 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.

## Acquired Asset Financial Overview

	2019-Q3	2019-Q4	2020-Q1	2020-Q2	2020-Q3	2020-Q4	2021-Q1	2021-Q2
<b>Net Revenue, as reported</b>	<b>57,579</b>	<b>65,149</b>	<b>72,728</b>	<b>75,195</b>	<b>82,830</b>	<b>102,103</b>	<b>96,803</b>	<b>105,079</b>
<b>Acquisitions Revenue</b>								
Underground Elephant (11/19)	20,764	7,080	-	-	-	-	-	-
SmarterChaos (7/20)	1,973	2,144	1,924	2,473	310	-	-	-
Aimtell, Aramis, Pushpros (2/21)	5,931	7,597	8,039	8,393	5,538	6,685	2,465	-
Crisp Results (4/21)	4,263	6,173	6,460	6,650	6,992	9,708	8,284	-
<b>Total Acquisitions Revenue</b>	<b>32,931</b>	<b>22,994</b>	<b>16,424</b>	<b>17,516</b>	<b>12,840</b>	<b>16,393</b>	<b>10,749</b>	<b>-</b>
<b>Pro Forma Net Revenue</b>	<b>90,510</b>	<b>88,144</b>	<b>89,152</b>	<b>92,711</b>	<b>95,669</b>	<b>118,496</b>	<b>107,552</b>	<b>105,079</b>
<b>LTM Pro Forma Net Revenue</b>				<b>360,516</b>				<b>426,796</b>

## Financial Performance Overview

	FY 2020 <sup>1</sup>	Less: 1H '20 <sup>2</sup>	Add: 1H '21 <sup>2</sup>	Other Adjustments <sup>3</sup>	LTM
Net Revenue, as reported	\$ 332,856	\$ 147,924	\$ 201,882		\$ 386,814
Cost of Revenue	234,731	102,561	140,541		272,711
Salaries and Related Costs	33,386	16,231	21,977		39,132
General and Administrative Expenses	30,020	9,950	17,514		37,584
Acquisition Costs	4,814	74	1,960		6,700
Depreciation and Amortization	17,954	8,671	12,463		21,746
Other Income	0	0	0		0
Income (Loss) from Operations	11,951	\$ 10,437	\$ 7,427		\$ 8,941
Interest Expense	13,740	7,281	6,879		13,338
Change in Fair Value of Warrant Liabilities	8,840	0	(7,435)		1,405
Loss on Extinguishment of Debt	0	0	2,108		2,108
Net Income (Loss) Before Income Taxes	\$ (10,629)	\$ 3,156	\$ 5,875		\$ (7,910)
Income Tax Expense	3,085	265	1,148		3,968
<b>Net Income (Loss)</b>	<b>\$ (13,714)</b>	<b>\$ 2,891</b>	<b>\$ 4,727</b>		<b>\$ (11,878)</b>
Adjustments:					
Interest Expense	13,740	7,281	6,879		13,338
Income Tax Expense	3,085	265	1,148		3,968
Depreciation and Amortization	17,954	8,671	12,463		21,746
Change in Fair Value of Warrant Liabilities	8,840		(7,435)		1,405
Debt Extinguishment			2,108		2,108
Stock-based Compensation			2,530		3,404
Restructuring			81	874	4,238
Acquisition Costs	4,814	74	1,960	4,157	7,101
Other Expense	10,863	1,083	3,410	(5,432)	7,758
<b>Subtotal Before Additional Adjustments</b>	<b>45,582</b>	<b>20,265</b>	<b>27,871</b>	<b>0</b>	<b>53,188</b>
Pro Forma Cost Savings - Reorganization	1,056	970	31		117
Technology Savings	2,483				2,483
Pro Forma Cost Savings - Acquisitions	3,183	3,922	1,800	706	1,767
Accounts Reserved	1,600				1,600
Acquisition EBITDA	400	5,604	2,711	11,187	8,694
<b>Adjusted EBITDA</b>	<b>54,304</b>	<b>30,761</b>	<b>32,413</b>	<b>11,893</b>	<b>67,849</b>
Capital Expenditures	10,372	5,031	4,212		9,553
Unlevered Free Cash Flow	43,932	25,730	28,201		58,296
Unlevered Free Cash Flow Conversion	80.9%	83.6%	87.0%		85.9%
Adjusted EBITDA Margin %	16.3%	20.9%	16.1%		17.5%

Note

1) As reported in the company's 2020 10K/A

2) As reported in the company's 2021 Q2 10Q

3) Represents adjustments between reported categories in the 2020 10K/A compared to Q2 2021 10Q; Also includes adjustments for Pro Forma Adjusted EBITDA in 2H 2020 for acquisitions in 2021 that were not reflected in the 10K/A.



## Performance-Based Digital Advertising Solutions That De-Risk Media Spend

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.

### Industry-Leading Toolset

#### FIRST-PARTY DATA ASSET



#### PROPRIETARY TECH



#### EXPANSIVE DIGITAL MEDIA REACH



- **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** serves growing portfolio of loyal blue-chip advertiser clients across fast-growing verticals, including insurance, ecommerce and consumer finance
- **Scaling concentration within insurance vertical** allows us to play from strength to strength, leveraging growth in consumer and advertiser demand
- **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 LTM<sup>1</sup> Financial Summary

**\$386.8MM**

Net Revenue

**\$67.8MM**

Adj. EBITDA<sup>2</sup>

**17.5%**

% EBITDA Margin<sup>3</sup>

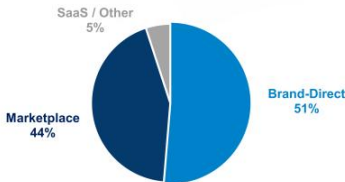
**18.4%**

Pro Forma Organic Revenue Growth<sup>4</sup>

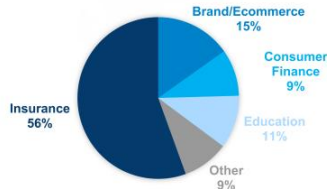
**85.9%**

% Unlevered FCF Conversion<sup>5</sup>

LTM Gross Revenue by Segment



LTM Reported Gross Revenue by Vertical



Note

1) LTM is defined as the twelve months ending June 30, 2021

2) Adjusted EBITDA is defined as net income (loss), excluding (1) interest expense, (2) income tax expense, (3) depreciation and amortization, (4) change in fair value of warrant liabilities (5) debt extinguishment (6) stock-based compensation (7) restructuring (8) acquisition costs, (9) other expenses, (10) cost savings expected as a result of an acquisition and comparable to same period last year

3) Adjusted EBITDA Margin is defined as adjusted EBITDA divided by Net Revenue.

4) DMS defines and measures Pro Forma organic revenue as revenue from all acquisitions, as if they had occurred as of the date of the measurement period.

5) Unlevered FCF Conversion = (Adj. EBITDA – Capex and Capitalized Software) / Adj. EBITDA.

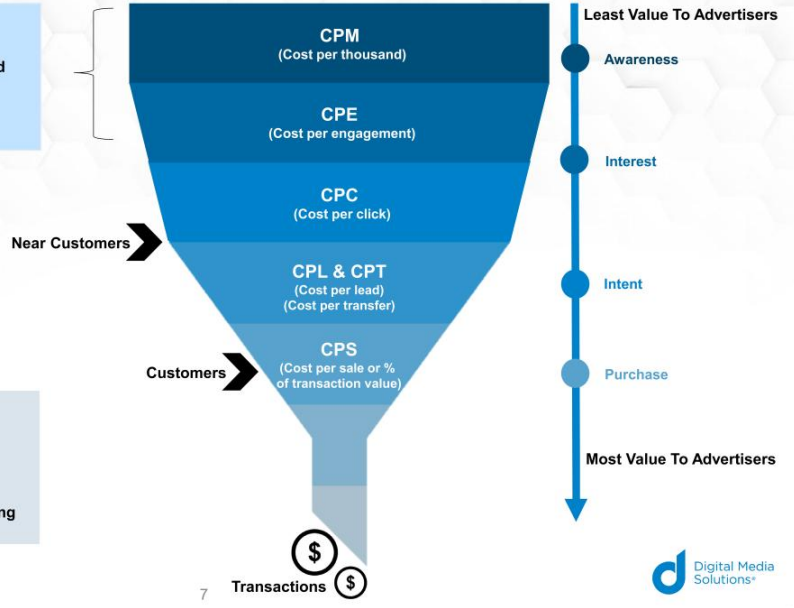


# DMS De-Risks Advertising Spend For Advertiser Client

- 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



# DMS Solves The Common Problems Advertisers Face

## The DMS Difference

Common Advertiser Problems		Digital Advertising Solution
<ul style="list-style-type: none"> <li>Audience insight &amp; targeting challenges</li> <li>Personalized 1:1 advertising at scale</li> </ul>	 <p><b>Dynamic First-Party Data Asset</b></p>	<ul style="list-style-type: none"> <li>Leverage first-party database of consented, known consumers</li> <li>Insights and signals put the right message in front of the right consumer at the right time</li> </ul>
<ul style="list-style-type: none"> <li>Difficulty scaling campaigns in highly competitive media channels</li> <li>1:1 campaign targeting without cookies</li> </ul>	 <p><b>Proprietary Technology to Deliver Customers and Leads</b></p>	<ul style="list-style-type: none"> <li>Integrated technology stack tracks all user interactions, indexes &amp; stores data, manages click &amp; lead routing + more</li> <li>Capabilities include already implemented &amp; tested cookie-less targeting</li> </ul>
<ul style="list-style-type: none"> <li>Inability to track ROI</li> <li>Media "waste" while scaling campaigns</li> </ul>	 <p><b>Pay-for-Performance Model</b></p>	<ul style="list-style-type: none"> <li>DMS provides linear connection between ad spend and results</li> <li>Transparent pricing that delivers leads and customers at or below target CAC</li> </ul>
<ul style="list-style-type: none"> <li>Static campaigns that don't scale</li> <li>Multiple partners to achieve one advertising objective</li> </ul>	 <p><b>Vertical &amp; Channel Agnostic Model of Scale</b></p>	<ul style="list-style-type: none"> <li>DMS helps advertisers launch, edit and optimize campaigns quickly</li> <li>DMS is an end-to-end digital customer acquisition solution provider capturing growth across verticals &amp; media channels</li> </ul>

# We Provide Value To Consumers And Advertisers

FIRST-PARTY  
DATA ASSET



PROPRIETARY  
TECH



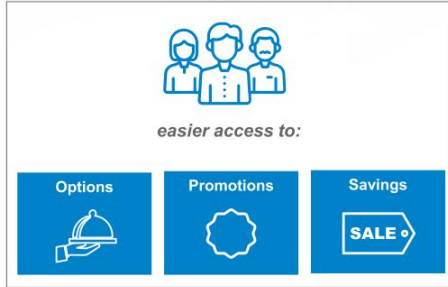
EXPANSIVE DIGITAL  
MEDIA REACH



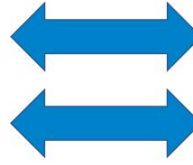
# 4Rs

RIGHT MESSAGE  
RIGHT PERSON  
RIGHT TIME  
RIGHT PLACE

For Consumers



For DMS Advertiser Clients



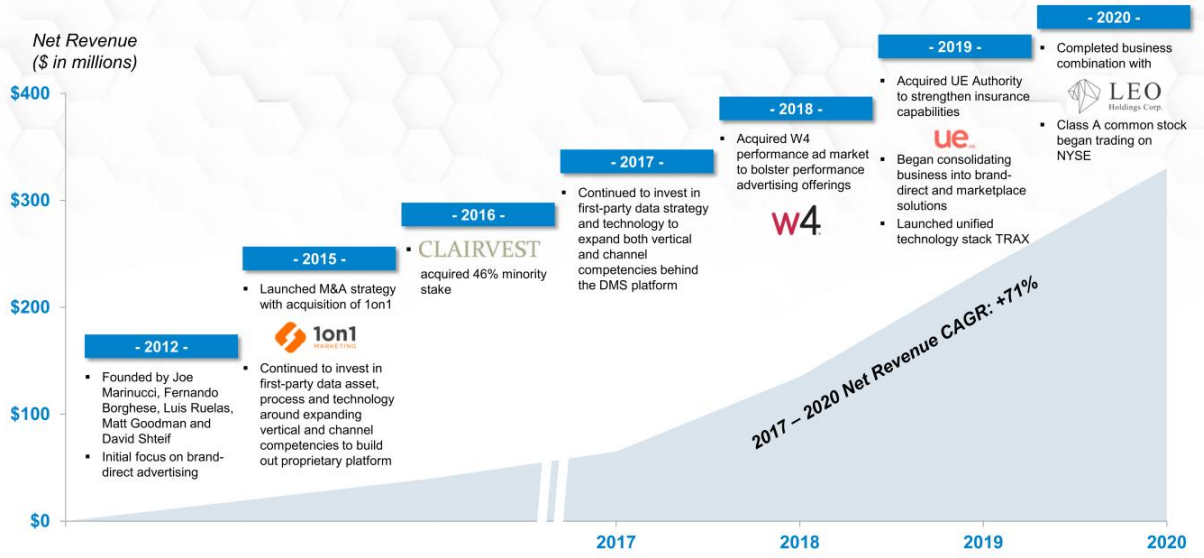
## Expansive Media Reach: 70% Of U.S. Adults

We target audiences where they spend their time and engage high-intent consumers when they are ready to take action.



SOCIAL MEDIA • SEARCH • DISPLAY/PROGRAMMATIC • EMAIL • PUSH • CONNECTED TV

# DMS Company History



Note: Company filings

## Investment Highlights

1. Leading provider of diversified performance advertising solutions



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



2. Unique data asset provides competitive moat by optimizing ROI for client base



6. Strong organic growth and cash flow generation



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



7. Founder-led management team with established record of success



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



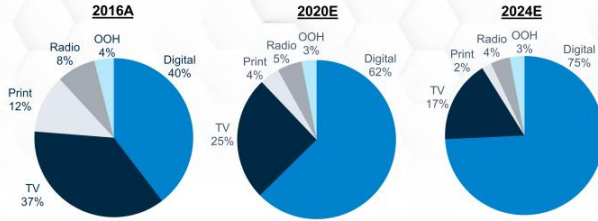
8. Massive market opportunity with strong secular growth trends



# Digital Advertising Remains The Fastest Growing Channel Within Advertising

## U.S. Advertising Spending Mix

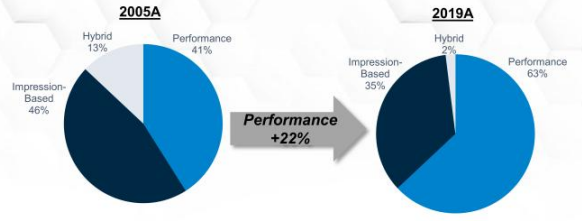
Digital advertising continues to represent a greater percentage of overall mix and is now estimated to be 62% of total advertising spend in the U.S.



Source: Company reports, IAB, OAAA, RAB, PwC, Magna Global, Canaccord Genuity | Note: "OOH" = out of home

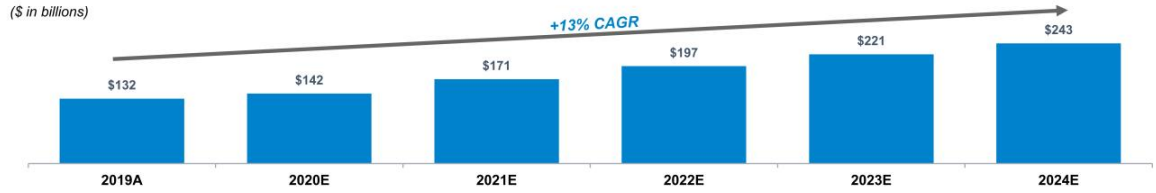
## Digital Spend By Advertising Type

Performance advertising has become increasingly popular due to its inherent accountability and currently represents 63% of total digital ad spend



Source: IAB, PwC | Note: CPM = cost per impression, the amount an advertiser pays per one thousand times the ad is shown

## U.S. Digital Advertising Spending And Growth

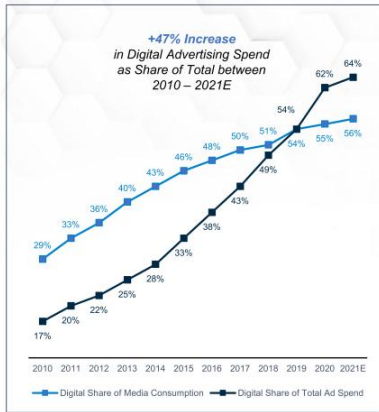


Note: eMarketer, October 2020

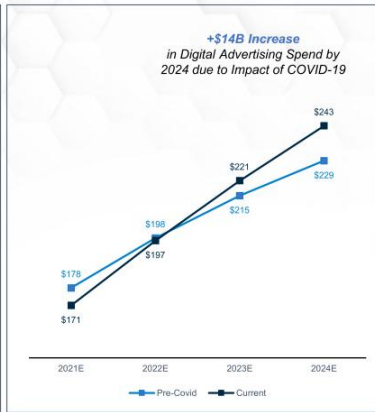


# Secular Tailwinds Support Our Trajectory

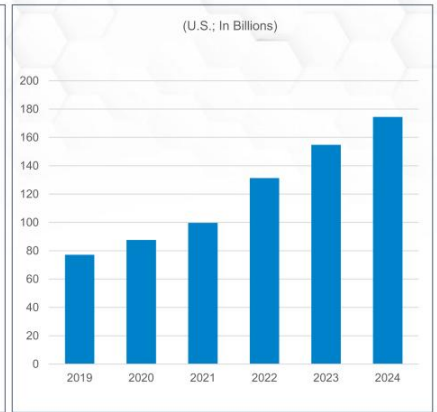
**Digital Share Of Advertising Spend Vs. Share Of Media Consumption<sup>1</sup>**



**Positive Impact Of COVID-19 On Digital Advertising Spend Projections<sup>1</sup>**



**Value Of Auto Insurance Premiums Written Online<sup>2</sup>**

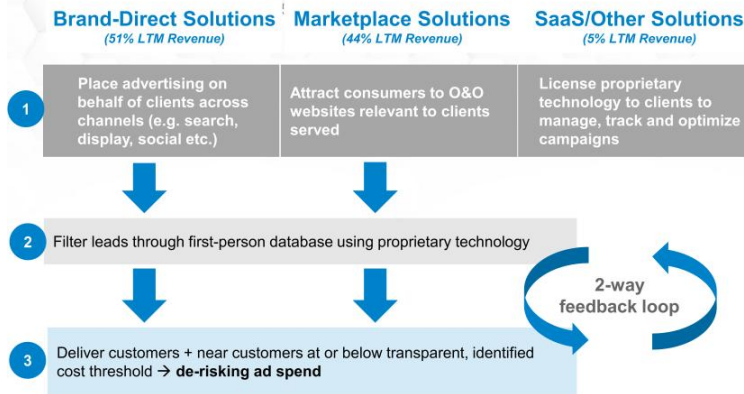


**In 2019, three of the top U.S. insurance companies each spent more than \$1B in advertising.<sup>3</sup>**

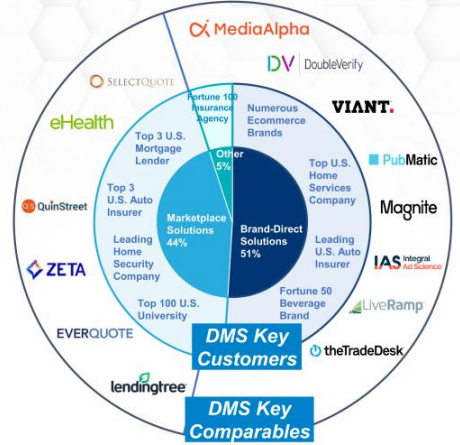
Note  
 1) eMarketer  
 2) Statista  
 3) S&P Global

# Our Business Model And Mix

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



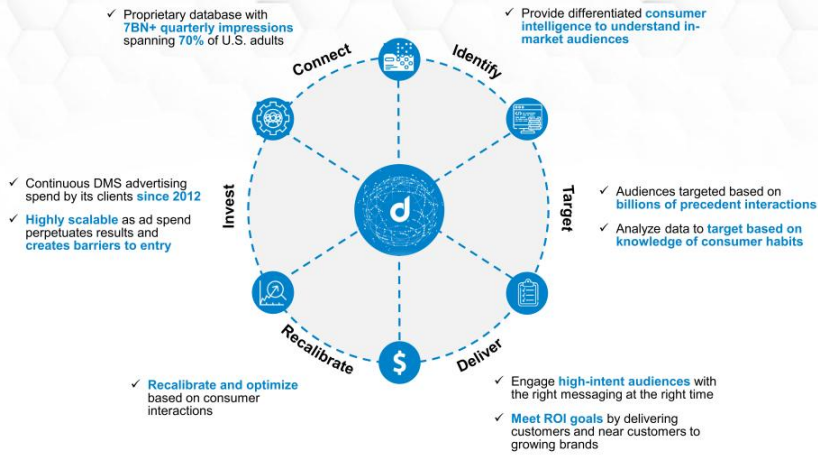
## DMS Business Mix<sup>1</sup> (% Of Revenue)



Note: <sup>1</sup> Mix is based upon GAAP-reported revenue for LTM

# Proprietary Data Assets And Tech Stack – The Tools That Drive The Business

## Dynamic First-Party Data Asset



## Value Provided To Clients



First-Party Data Asset



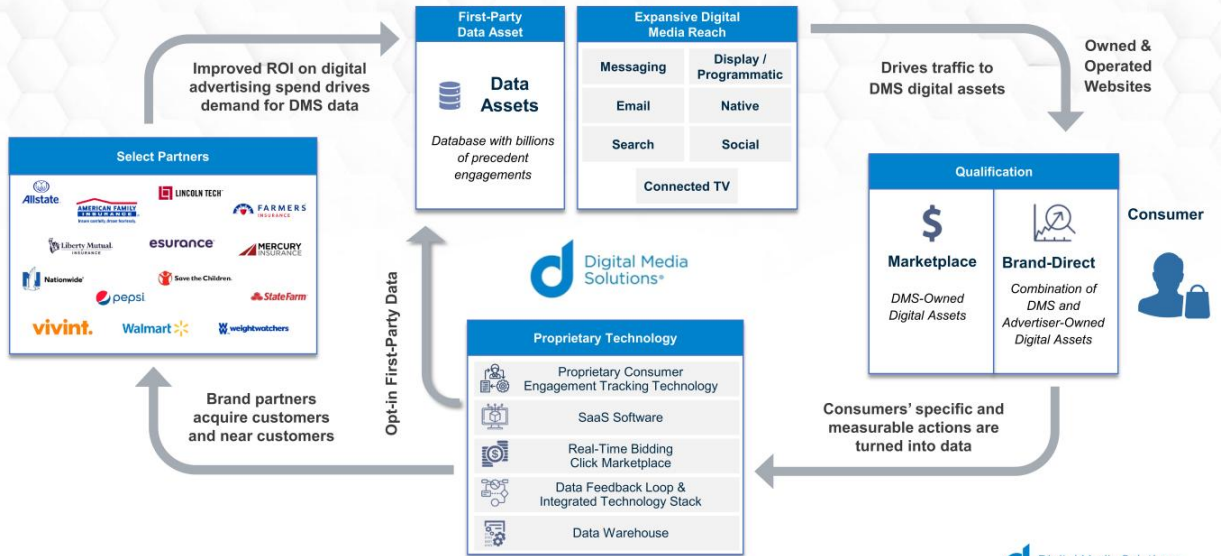
Proprietary Tech



Expansive Digital Media Reach

# How The DMS Platform Works

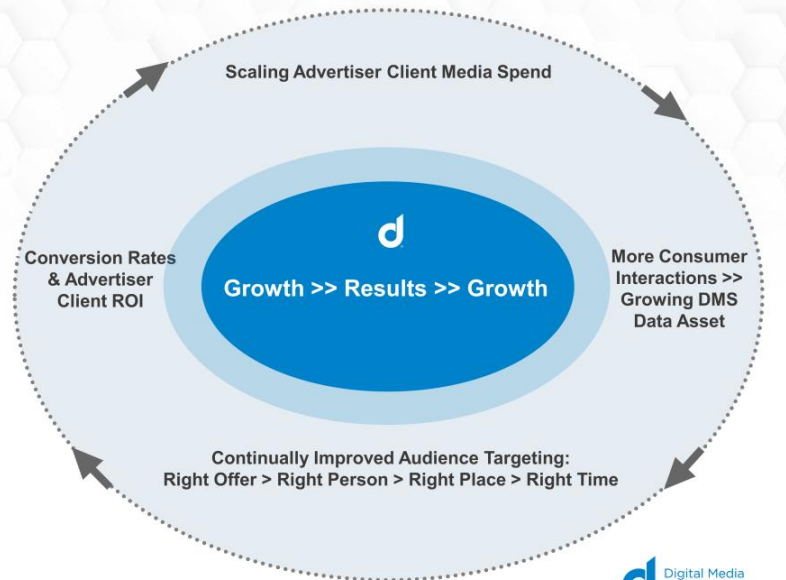
## End-To-End Platform Optimizes Customer Acquisition At Attractive ROI



## Use Of Our Platform Has A Flywheel Effect

### The Flywheel Creates Growth & Consistency Among Top 20 Advertisers

- **95%** retention of top 20 advertiser clients across all verticals from 2019 to 2020
  - Revenue share from top 20 clients grew from **41.4% in 2019** to **52.5% in 2020**
- **100%** retention of top 20 insurance advertiser clients from 2019 to 2020
  - Revenue from top 20 insurance clients **grew 22%** from 2019 to 2020<sup>1</sup>



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

**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

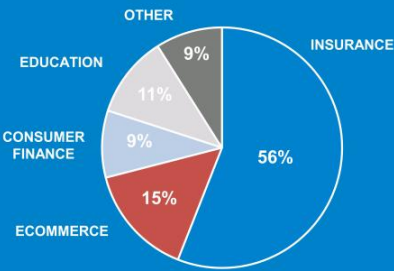
**HOME SERVICES:**  
2 of the leading home security companies in the U.S.

**CONSUMER FINANCE:**  
Top 3 mortgage lender + top 3 consumer reporting company

**CAREER & EDUCATION:**  
Top-tier large universities + large learning software providers

**HEALTH & WELLNESS:**  
Numerous personal fitness, health and wellness brands

Vertical % Data Represents LTM



**RETENTION**

**100%**

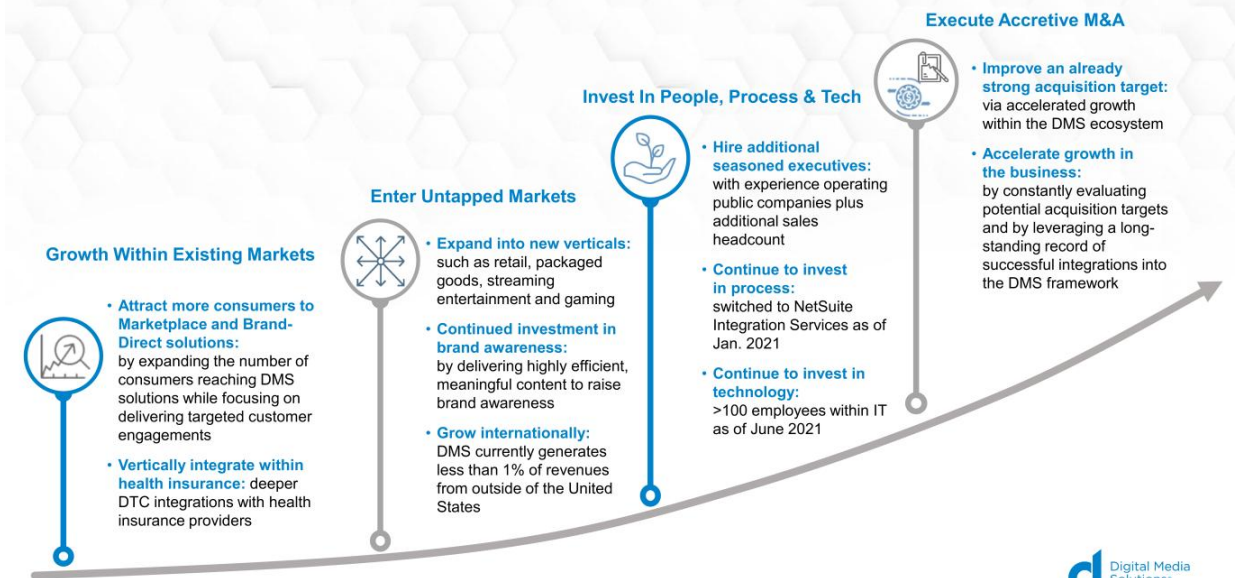
Top 20 Advertiser Clients (2019-2020)

**REVENUE SHARE**

**52.5%**

Top 20 Advertiser Clients (2019-2020)

# Key DMS Growth Drivers

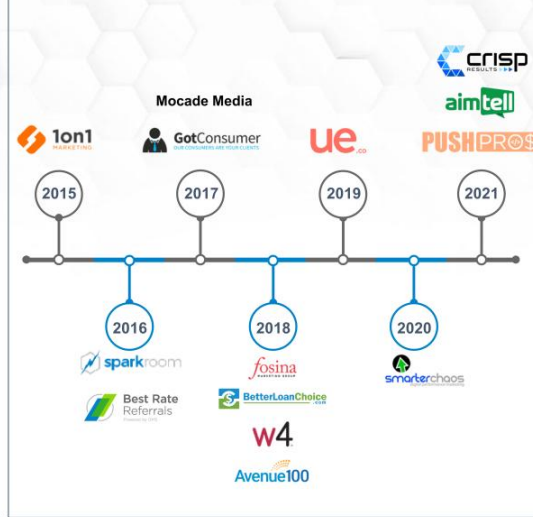


# Strong Track Record Of M&A




## 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 & sales

## Acquisitions



## Core M&A Criteria

-  Add new verticals or strengthen existing verticals
-  Enhance distribution capabilities
-  Strengthen technology platform



## Founder-Led Management Team

Teammate	Title	Experience (years)	Prior Experience & Background
	<b>Joe Marinucci</b> President, Chief Executive Officer and Director Co-Founder	20+	<ul style="list-style-type: none"> <li>For over 20 years, Joe has been an industry leader in helping advertisers generate substantial and consistent ROI on their advertising spend</li> <li>Prior to DMS, Joe was the President and Co-Founder of Interactive Marketing Solutions and has served as Executive Board Member of LeadsCouncil</li> </ul>
	<b>Fernando Borghese</b> Chief Operating Officer and Director Co-Founder	20+	<ul style="list-style-type: none"> <li>For almost two decades, Fernando has established himself as a dynamic marketer, revenue driver and problem solver and has experience working with startup, midsize and Fortune companies to develop personalized, data driven solutions</li> <li>Current Board Member of LeadsCouncil</li> </ul>
	<b>Vasundara Srenivas</b> Chief Financial Officer	20+	<ul style="list-style-type: none"> <li>Former CFO of Boeing Capital Corporation, a wholly owned, multi-billion dollar subsidiary of Boeing</li> <li>Vasundara has over 20 years of financial and accounting leadership experience</li> </ul>
	<b>Tony Saldana</b> General Counsel, EVP of Compliance	20+	<ul style="list-style-type: none"> <li>Practiced at Skadden for more than 20 years, with specialization in M&amp;A, corporate finance, corporate governance representing both public and private clients</li> <li>JD from Yale Law School and member of Bar Association in New York and District of Columbia</li> </ul>
	<b>Joey Liner</b> Chief Revenue Officer	20+	<ul style="list-style-type: none"> <li>Joey has extensive experience working alongside seasoned digital marketers, thought leaders and lead generators in the mortgage, education, insurance and home services spaces</li> <li>Prior to DMS, Joey co-founded and served as CEO of DoublePositive</li> </ul>
	<b>Kathy Bryan</b> Chief Marketing Officer	20+	<ul style="list-style-type: none"> <li>Kathy has become an expert in the digital advertising space through her work at both global and boutique advertising agencies and served Fortune 100 clients in the hospitality, travel, mortgage, education, finance and retail sectors</li> </ul>
	<b>Thomas Bock</b> EVP, Corporate Strategy & Investor Relations	20+	<ul style="list-style-type: none"> <li>Thomas joined DMS from Regions Financial Corporation and has extensive investment banking and sellside equity research experience</li> <li>DMS utilizes Thomas's expertise to continue to grow and manage the M&amp;A pipeline and to increase connectivity with investors and equity research analysts</li> </ul>

## Q3 + 2021 Full Year Guidance

	Q3 21 (\$ in millions)	FY 21 (\$ in millions)
<b>GAAP REVENUE</b>	\$108 – 110M	\$438 - 447M
<b>ADJUSTED REVENUE<sup>1</sup></b>	\$113 – 115M	\$455 – 465M
<b>ADJUSTED EBITDA<sup>1</sup></b>	\$17.2 – 18.1M	\$72 – 75M

- Expected Q3 2021 and FY2021 Gross Margin<sup>1</sup> range of 28-31% and Variable Marketing Margin<sup>1</sup> range of 32-36%
- We continue to be encouraged by our organic growth momentum that carried over from 2020 and remain disciplined with our approach to M&A

Note  
1) This is a non-GAAP financial measure.



## Financial Profile Underpinned By Momentum

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

## DMS Company Snapshot

*DMS is a leading provider of technology-enabled, data-driven digital performance advertising solutions connecting consumers and advertisers.*

<b>Year Founded:</b>	2012
<b>HQ:</b>	Clearwater, FL
<b>Employee Count:</b>	~600 FTEs
<b>Advertiser Clients:</b>	~275 enterprise customers plus over 6,000 SMBs
<b>Public Market History:</b>	<b>NYSE: DMS</b>
<b>DMS-Developed Centralized Toolbox:</b> <i>Economically delivers customers &amp; near customers to advertiser clients</i>	<ul style="list-style-type: none"> <li>• <b>First-Party Data Asset:</b> Consented database of known users</li> <li>• <b>Proprietary Technology:</b> Including SaaS software</li> <li>• <b>Expansive Media Reach:</b> Covering 70% of U.S. Adults</li> </ul>
<b>Digital Performance Advertising Solutions:</b>	<ul style="list-style-type: none"> <li>• <b>Brand-Direct:</b> One-to-one advertising solution</li> <li>• <b>Marketplace:</b> One-to-many advertising solution</li> <li>• <b>Other:</b> Includes SaaS software</li> </ul>
<b>Additional Highlights:</b>	<ul style="list-style-type: none"> <li>• <b>Universally applicable</b> DMS solutions serve large and growing end markets, including ecommerce, consumer finance and education</li> <li>• Emerging focus on <b>massive online insurance end market</b> (48% of 2020 reported net revenue), which is in the early stages of digital transformation and experiencing rapid growth</li> <li>• Long-term achievement of EBITDA <b>profitability and FCF generation</b>, plus demonstrated track record of <b>accretive M&amp;A</b> further accelerating growth</li> <li>• <b>Founder-led</b> leadership team, with an average of 20 years of experience</li> </ul>



**Appendix**

## Non-GAAP Financial Measures

### Adjusted Revenue, Pro Forma Organic Revenue and Pro Forma Net Revenue

Adjusted revenue and proforma organic revenue are non-GAAP financial measures presented as an alternative method for assessing the Company's operating results in a manner that is focused on the performance of our underlying operations. Management believes this measure provides useful information because, while the majority of our business consists of lead generation contracts which are accounted for on a gross basis, a portion of our agency managed services contracts are accounted for on a net basis. In light of these considerations, management believes that adjusted revenue provides useful information regarding operating performance across our business, without regard to the accounting treatment of individual contracts, and allows management to build forecasts on a consistent basis across the business. Management further uses adjusted revenue to compare the performance of divisions within the Company against each other and to isolate our core operating performance. Moreover, management expects that over time we will transition all of our services to a principal relationship and as our contracts are either amended or new agreements are executed, this measure will help provide a basis for comparison of our business operations between different periods over time as we transition these services and related accounting for these contracts.

Adjusted revenue is defined as revenue as reported under GAAP, without regard to netting of costs applicable to revenues earned under contracts that are deemed to be entered into on an agency basis.

DMS defines and measures Pro Forma organic revenue as revenue from all acquisitions, as if they had occurred as of the date of the measurement period.

DMS defines and measures Pro Forma net revenue as revenue from all acquisitions, as if those acquisitions had occurred as of the date of the measurement period.

We believe Pro Forma organic revenue and Pro Forma net revenue provide investors and analysts with useful supplemental information regarding our performance, taking into account our acquisitions and the performance of those acquisitions prior to and following our ownership.

### 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 condensed consolidated statements of operations.

## Non-GAAP Financial Measures (Continued)

### 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 (1) interest expense, (2) income tax expense, (3) depreciation and amortization, (4) change in fair value of warrant liabilities, (5) debt extinguishment, (6) stock-based compensation, (7) restructuring, (8) acquisition costs, (9) other expenses, (10) cost savings expected as a result of a company reorganization, (11) cost synergies expected as a result of full integration of our acquisitions, and (12) pre-acquisition cost savings resulting from current years' acquisition and comparable to same period last year. 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.

Adjusted EBITDA Margin is defined as adjusted EBITDA divided by Net Revenue.

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.

