



DWS GROUP – Q2 2021 RESULTS

July 28, 2021



MAINTAINING THE MOMENTUM: STRONG RESULTS IN Q2



First half of 2021 marks a successful start to phase two of DWS's corporate journey

RECAP: PHASE TWO



FY 2020

- Invest into transformation for further efficiency and targeted growth
- **Differentiated leadership: ESG, Passive, high margin strategies**
- Take active role in M&A activities

TRANSFORM, GROW AND LEAD

KEY ACHIEVEMENTS Q2 2021

Financials

- Record net flows of €20bn overall; from all regions, Active, Passive & Alternatives
- Record levels in AuM of €859bn
- Adjusted CIR better than expected for H1 2021

Differentiated leadership

- **ESG:** €4bn¹ net flows, further expanded range of innovative ESG offerings, e.g. DWS Invest Low Carbon Bonds Fund, DWS Concept Blue Economy supported by WWF
- **Passive:** continued to strengthen market share in European ETP / ETFs
- **High-margin strategies:** strong demand in those asset classes, e.g. PEIF III² with total size of €3bn achieved
- **Strategic partnerships:** intensified collaboration, e.g. launched Secured Income Fund with Tikehau Capital

¹ Please refer to p. 18 regarding ESG definition ² Pan European Infrastructure Fund

Q2 2021 KEY FINANCIAL HIGHLIGHTS



Strong revenue generation supports profit growth

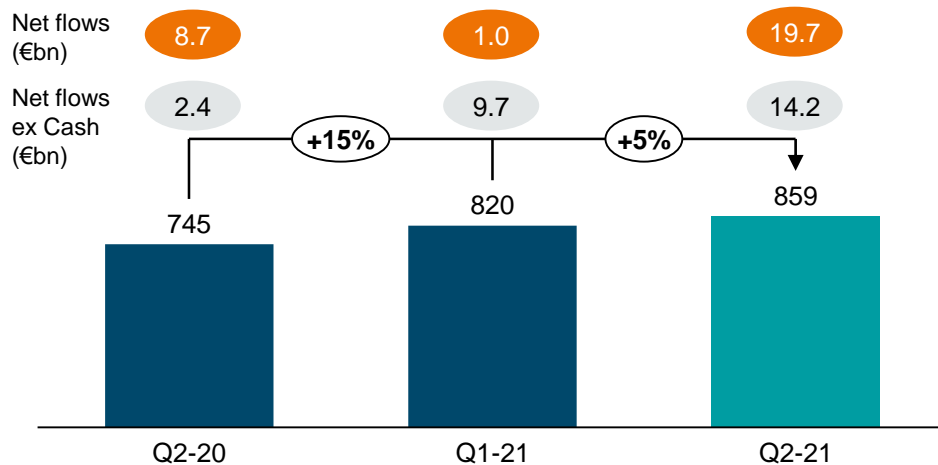
- Strong quarter with adjusted profit before tax of €247m supported by record AuM
- Adjusted cost income ratio continues to stay at a very low level of 60.6% in Q2
- Net flows of €20bn and €14bn ex Cash in Q2, with €4bn of net flows into ESG products
- On track to achieve flow target of >4% on average in the medium-term

FINANCIAL PERFORMANCE SNAPSHOT – Q2 2021

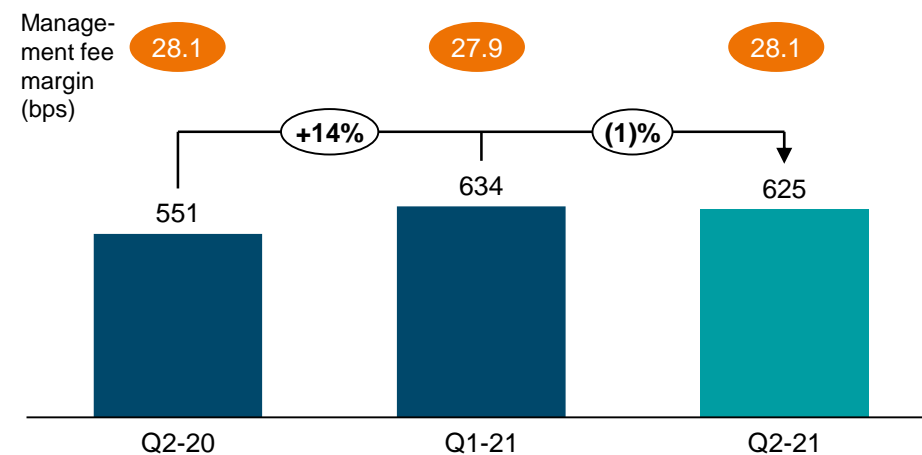


Strong business momentum in Q2

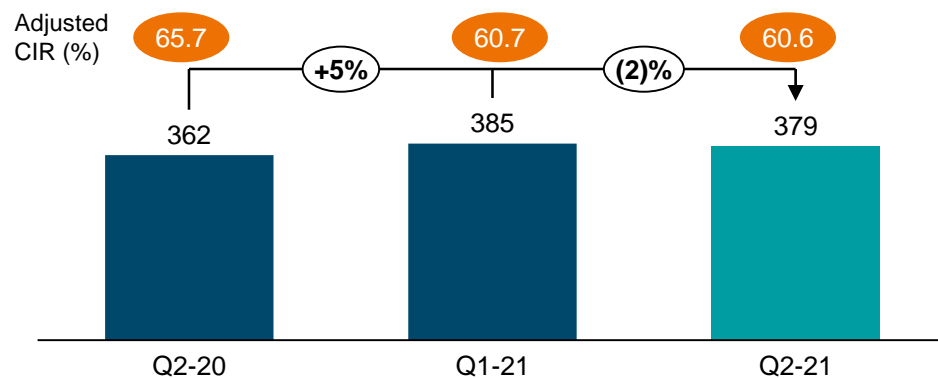
AUM (€BN)



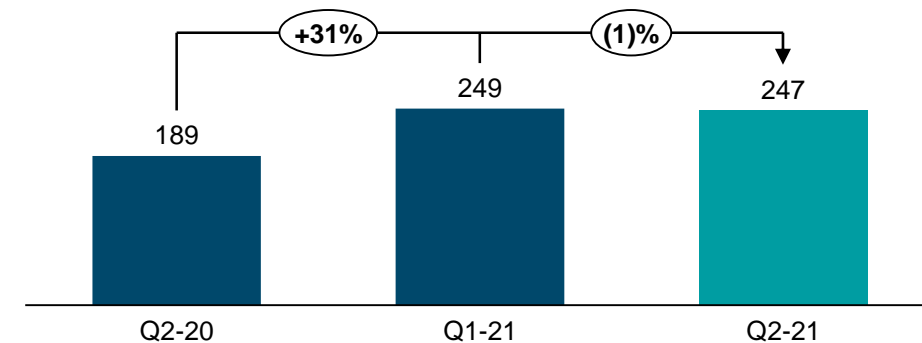
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)



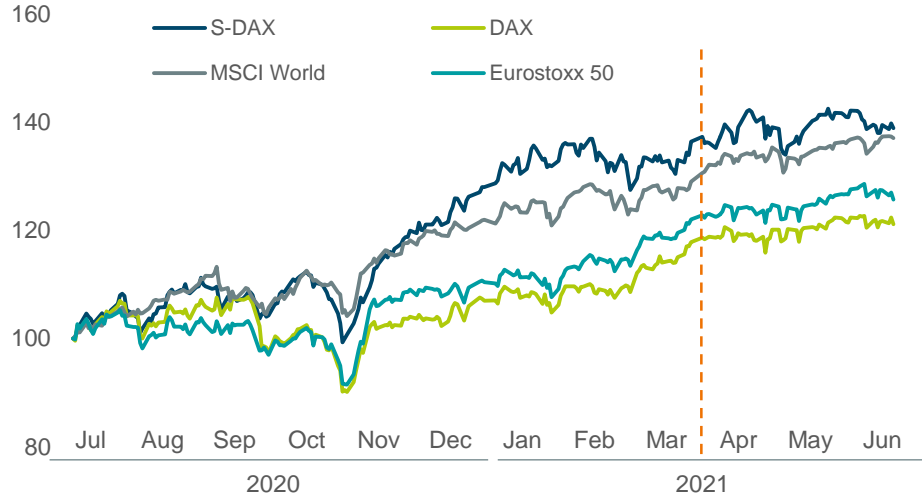
Note: Throughout this presentation totals may not sum due to rounding differences

MARKET ENVIRONMENT



Global equities support AuM growth in Q2

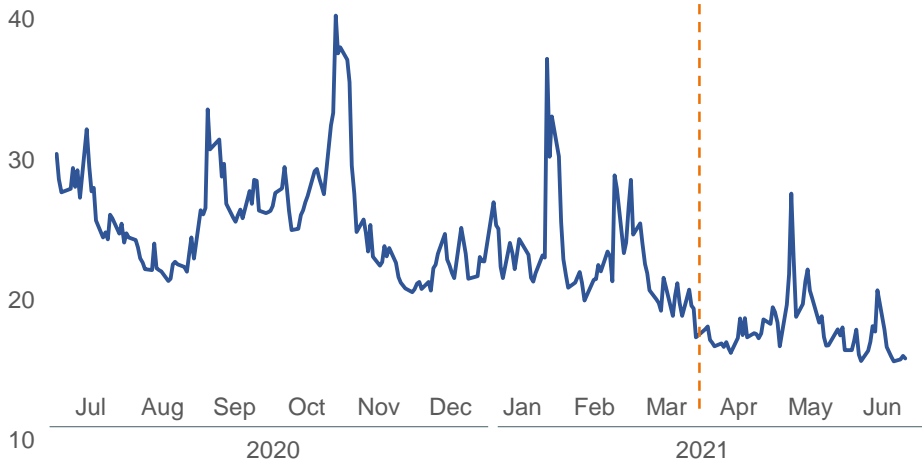
EQUITIES (%)



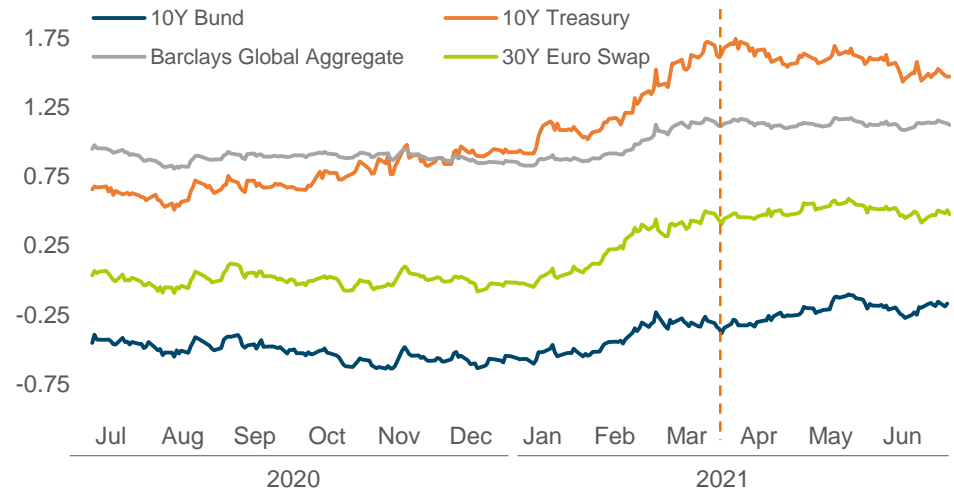
FX (€/\$)



VOLATILITY (VIX INDEX)



INTEREST RATES, YIELD (%)



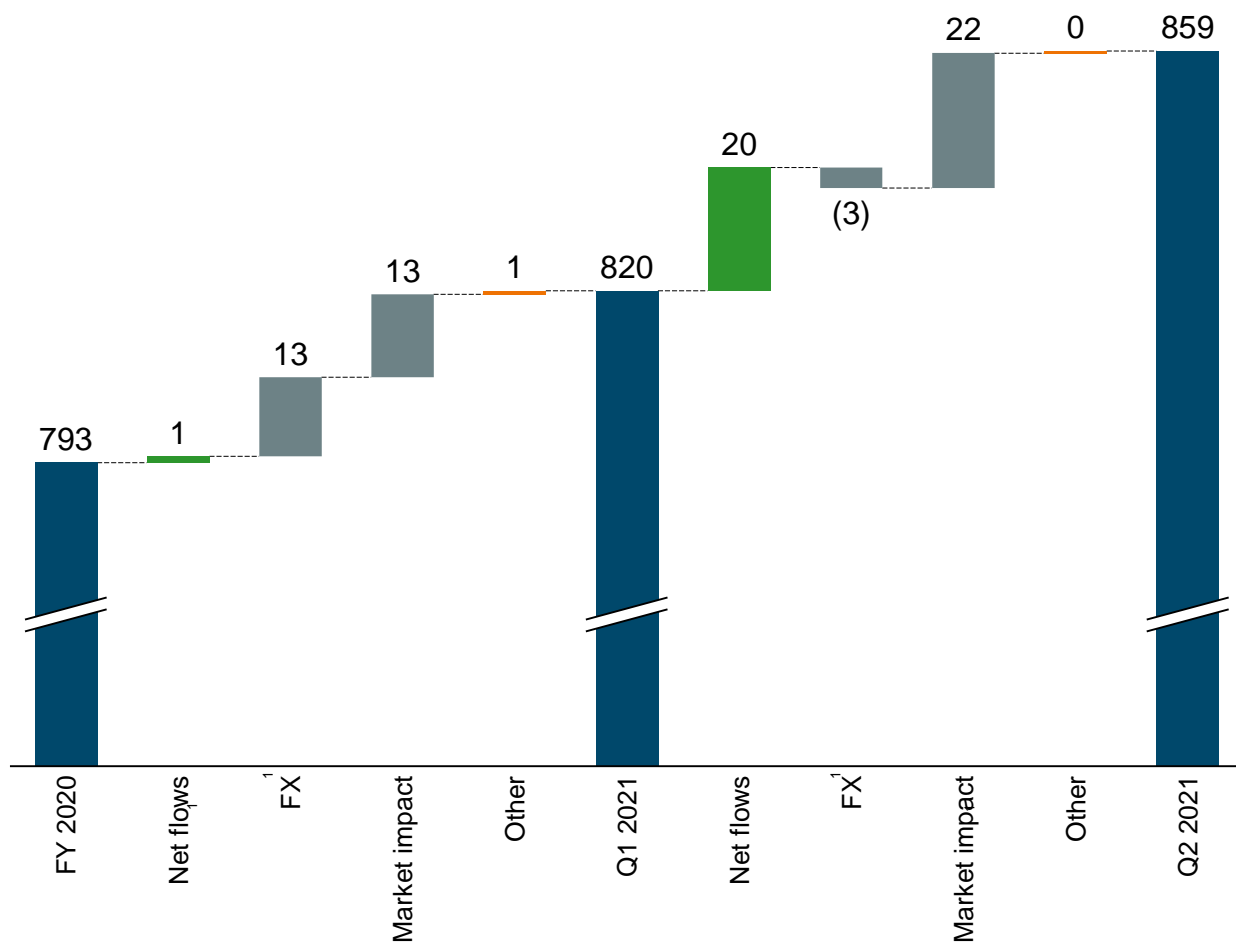
Source: Bloomberg

AUM DEVELOPMENT

DWS achieves record net flows and AuM level



AUM DEVELOPMENT DETAIL (€BN)



Q2 HIGHLIGHTS

AuM increased by €39bn to €859bn in Q2

- Main drivers have been positive market performance and net flows
- Unfavorable €/€ exchange rate partly offset strong AuM growth from markets and net flows

¹ Represents FX impact from non-Euro denominated products; excludes performance impact from FX

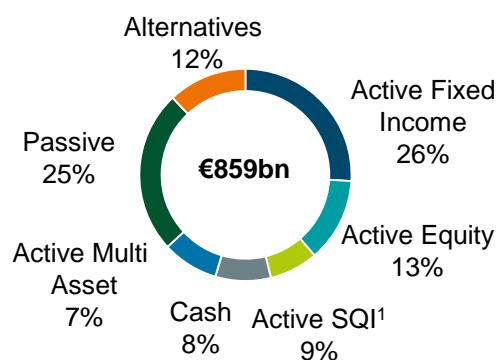
Q2 2021 NET FLOWS

Strong net flows driven by targeted asset classes and ESG

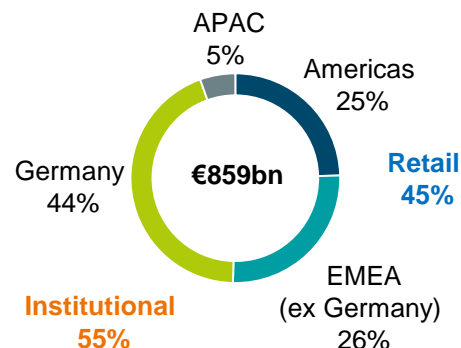
NET FLOWS BREAKDOWN

By asset class (€bn)	Q2-20	Q1-21	Q2-21
Active Equity	1.0	0.1	(0.3)
Active Multi Asset	(0.6)	(0.5)	2.0
Active SQI ¹	(0.2)	0.6	1.1
Active Fixed Income	(4.4)	1.0	1.7
Passive	6.5	7.4	7.9
Alternatives	0.0	1.0	1.8
Total ex Cash	2.4	9.7	14.2
Cash	6.3	(8.6)	5.4
Total	8.7	1.0	19.7

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



Q2 HIGHLIGHTS

- Net flows of €19.7bn in Q2 including €3.8bn of net flows into ESG products
- Passive continued strong inflows into ETFs gaining market share in Europe
- Strong inflows in Cash, particularly in US & EMEA institutional
- Multi Asset with strong institutional demand as well as inflows into Concept Kaldemorgen
- Alternatives were driven by inflows into US retail Liquid Real Assets as well as Infrastructure
- Fixed Income remained positive with strong institutional mandate wins
- SQI with inflows particularly driven by EMEA retail investors
- Equity outflows driven by reallocation from Top Dividende into Multi Asset from a single institutional client

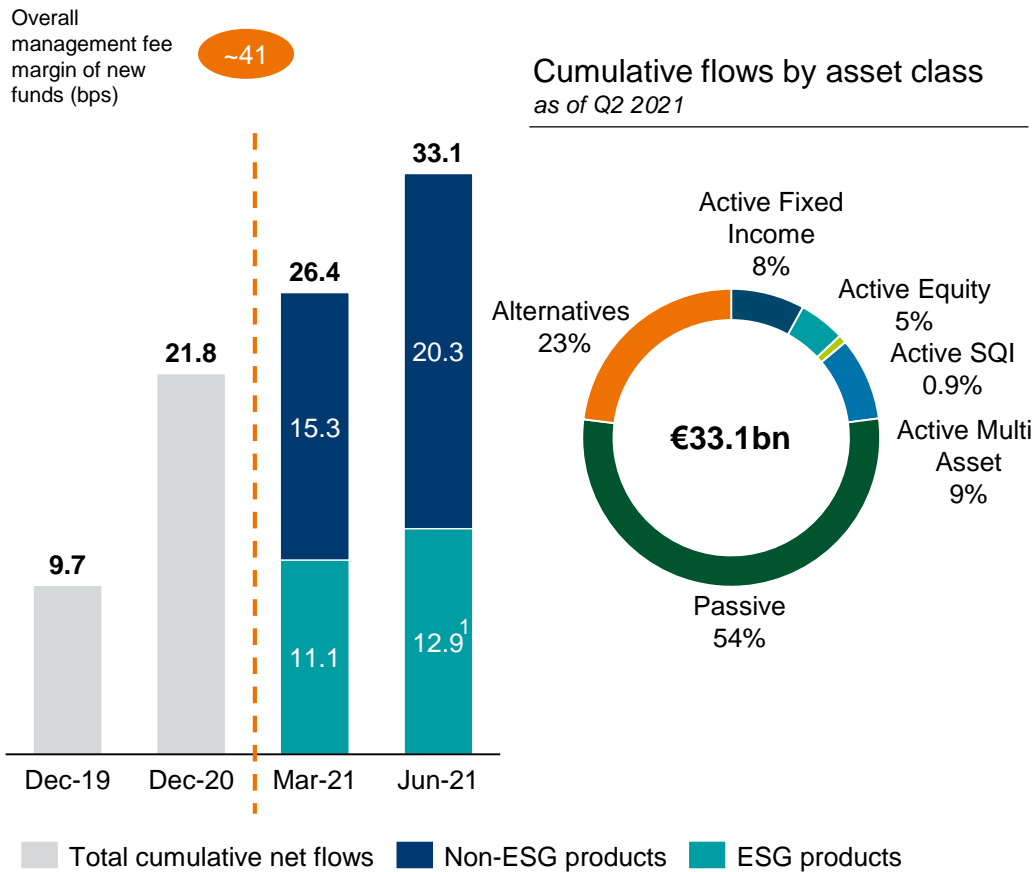
1 Systematic and Quantitative Investments

POSITIVE CONTRIBUTION OF NEW FUND LAUNCHES



New funds attract strong net flows in Passive, Alternatives & ESG products

CUMULATIVE FLOWS OF NEW FUNDS SINCE IPO (IN €BN)



Q3 2021 FUND LAUNCHES PIPELINE²

EXAMPLES

- DWS Invest ESG Healthy Living **Equity**
- Xtrackers Emerging Markets Carbon Reduction and Climate Improvers ETF³ **Passive**
- European Property Fund (Residential) **Alternatives**
- German Retail Outlet Fund

Note: Not all DWS products and services are offered in all jurisdictions and availability is subject to local regulatory restrictions and requirements

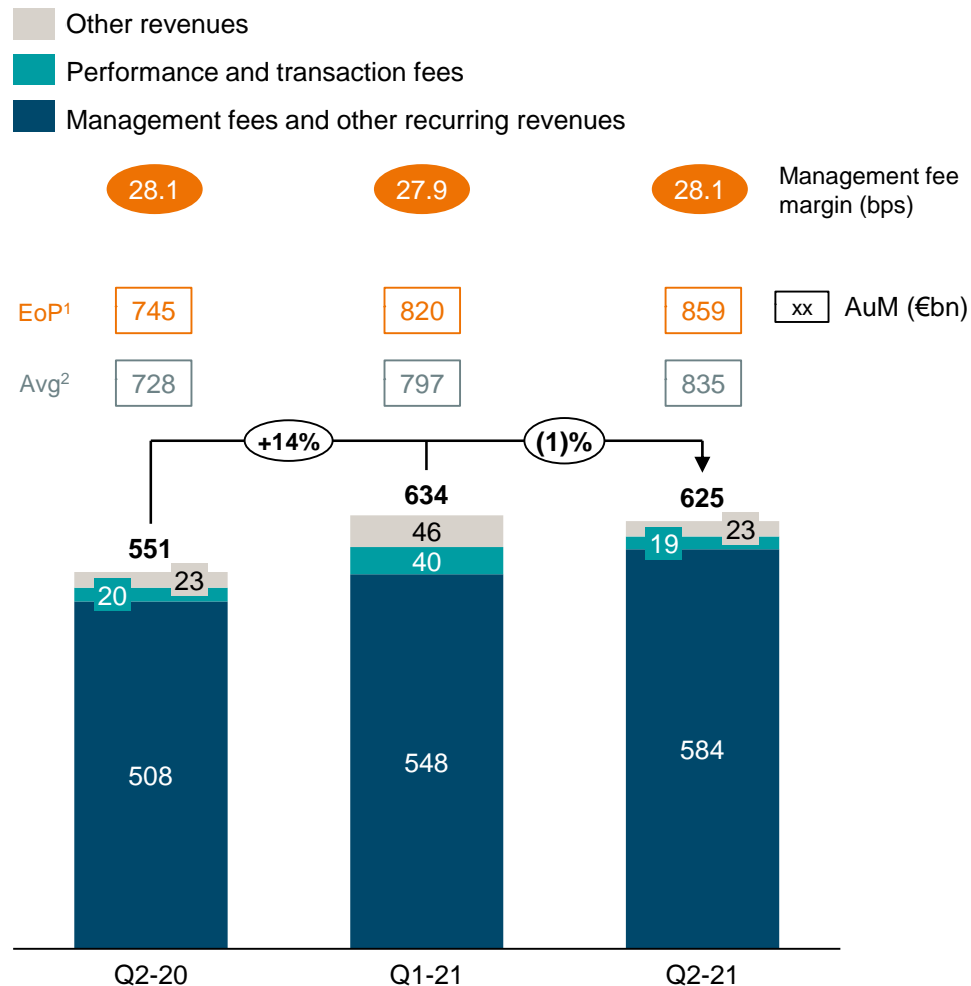
¹ Cumulative flows of all new ESG funds since IPO are based on new SFDR definition ² Subject to demand assessments, approvals and successful transaction execution ³ Re-launch

REVENUE DEVELOPMENT

Highest management fees since IPO



ADJUSTED REVENUES (€M)



Q2 HIGHLIGHTS

- Total adjusted revenues decreased 1% q-o-q to €625m
- Management fees and other recurring revenues increased 7% q-o-q due to favorable markets as well as positive impact from flows
- Performance and transaction fees decreased q-o-q due to absence of a non-recurring real estate performance fee recognized in Q1
- Other revenues supported by strong Harvest contribution and investment income, partly offset by unfavorable change in fair value of guarantees

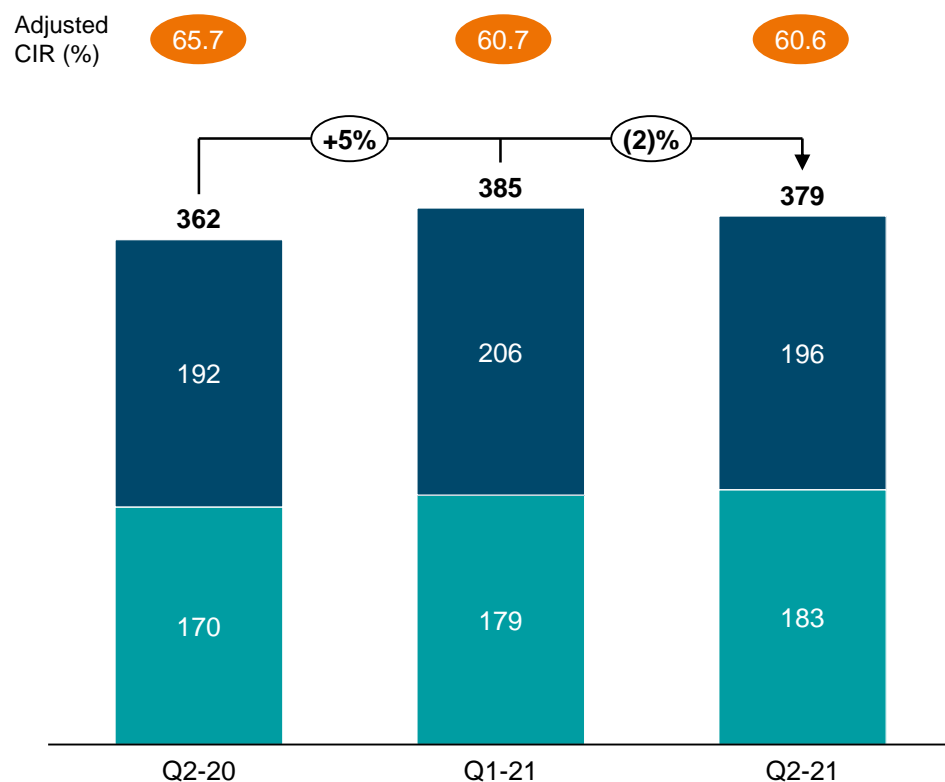
1 End of period 2 Monthly average

COST DEVELOPMENT

Sustained cost discipline leading to an adjusted CIR at exceptionally low level

ADJUSTED COSTS (€M)¹

- Adjusted Compensation & Benefits
- Adjusted General & Administrative Expenses



Q2 HIGHLIGHTS

- Total adjusted costs of €379m, down 2% q-o-q
- Adjusted compensation & benefits decreased by 5% due to lower variable compensation as well as seasonal effects in the first quarter
- Adjusted general & administrative expenses 3% above previous quarter due to investments into growth as well as higher service costs as a result of increasing AuM
- Adjusted cost base excludes €7m of investments into our infrastructure platform transformation

¹ Non-interest expenses adjusted for severance payments, restructuring activities, transformation charges and litigation

CONCLUSION & OUTLOOK



Strong performance, supportive markets and transformation progress accelerates H2 momentum

CONCLUSION

Strong performance

- Strong Q2 net flows into targeted growth asset classes with high demand into ESG products
- Adjusted CIR remains at exceptionally low level
- Strong 3 and 5 year investment outperformance at 76% and 83% respectively

Transformation on track

- Further investments into growth and transformation projects

OUTLOOK 2021

- Revenues are expected to be higher in 2021 than in 2020, driven by high net inflows and current market environment
- We expect adjusted CIR to remain in the low 60s percent, assuming benign markets
- Net flows on track to reach >4% in 2021 driven by ESG, Passive and high-margin strategies
- Management fully committed to deliver on all our aspirations for Phase two



Appendix



NEW TARGETS AND ASPIRATION

Reflecting our growth and profitability ambitions



ASPIRATION

LEADING
EUROPEAN ASSET
MANAGER WITH
GLOBAL REACH

MEDIUM-TERM TARGETS¹ TO 2024

Adj. CIR of 60%

Net flows² >4%

¹ Depending on market circumstances and €/€ FX rate ² % of BoP AuM on average in the medium-term

PROFIT & LOSS STATEMENT AND KEY PERFORMANCE INDICATORS (€M, UNLESS STATED OTHERWISE)

		Q2 2021	Q1 2021	Q2 2020	H1 2021	H1 2020	Q2 2021 vs Q1 2021	Q2 2021 vs Q2 2020	H1 2021 vs H1 2020
Profit & Loss	Management fees and other recurring revenues	584	548	508	1,132	1,061	7%	15%	6.7%
	Performance and transaction fees	19	40	20	58	37	(53)%	(7)%	57%
	Other revenues	23	46	23	69	(23)	(51)%	(2)%	(395)%
	Net revenues	625	634	551	1,259	1,074	(1)%	14%	17%
	<i>Revenue adjustments</i>	-	-	-	-	-			
	Adjusted revenues	625	634	551	1,259	1,074	(1)%	14%	17%
	Adjusted compensation & benefits	196	206	192	402	354	(5)%	2%	14%
	Adjusted general & administrative expenses	183	179	170	362	353	2%	7%	2%
	Adjusted cost base (excl. transformation charges)	379	385	362	764	707	(2)%	5%	8%
	<i>Severance & restructuring</i>	1	6	18	6	24	(90)%	(97)%	(74)%
	<i>Transformation charges</i>	7	6	(0)	13	(0)	7%	N/M	N/M
	<i>Other cost adjustments</i>	1	0	(0)	1	0	N/M	N/M	N/M
	Total noninterest expenses	387	397	380	783	731	(2)%	2%	7%
	Profit before tax	239	237	171	476	343	1%	40%	39%
Adjusted profit before tax (excl. transformation charges)	247	249	189	496	368	(1)%	31%	35%	
Net income	172	169	122	340	243	2%	41%	40%	
Other Key Performance Measures	Reported CIR	61.9%	62.6%	69.0%	62.2%	68.0%	(0.7)ppt	(7.1)ppt	(5.8)ppt
	Adjusted CIR (excl. transformation charges)	60.6%	60.7%	65.7%	60.6%	65.8%	(0.1)ppt	(5.2)ppt	(5.1)ppt
	FTE (#)	3,342	3,332	3,333	3,342	3,333	0%	0%	0%
	AuM (in €bn)	859	820	745	859	745	5%	15%	15%
	Net flows (in €bn)	19.7	1.0	8.7	20.7	6.2			
	Net flows (% of BoP AuM – annualized)	9.6%	0.5%	5.0%	5.3%	1.6%			
	Management fee margin (bps - annualized)	28.1	27.9	28.1	28.0	28.6			

RECONCILIATION FROM IFRS TO ECONOMIC VIEW



BALANCE SHEET AS OF JUNE 30, 2021 (€BN)

	IFRS consolidated	Consolidated Funds	DB Vita and pending	Economic View
Assets				
Cash and bank balances	2,126			2,126
Financial assets at FVPL	3,180	1 1,299	2 561	1,320
Financial assets at OCI	175			175
Other investments	363			363
Property and equipment	146			146
Tax assets	152			152
Intangible assets	3,618			3,618
Other assets	1,683		3 894	788
Total assets	11,443	1,299	1,455	8,689
Liabilities				
Other short-term borrowings	74			74
Tax liabilities	287			287
Financial liabilities at FVPL	749		2 561	188
Other liabilities	3,490	1 1,299	3 894	1,297
Total liabilities	4,601	1,299	1,455	1,847
Equity	6,842			6,842
Total liabilities and equities	11,443	1,299	1,455	8,689

HIGHLIGHTS

€2.8bn adjustments comprise:

- 1 Consolidated Funds (€1.3bn)
 - DWS reports individual assets and liabilities of mainly guaranteed funds that it controls under IFRS
 - Fund assets and P&L still belong solely to the investors, not DWS
 - DWS does not consolidate where third party investors hold > 50% of units
- 2 DB Vita (€0.6bn)
 - Investment contract related financial assets held to back unit linked contracts offered by DB Vita S.A. (which is our specialist entity for unit-linked insurance products)
 - Offset with financial liabilities due to investors holding the unit linked insurance contracts
- 3 Pending Items (€0.9bn)
 - Settlement balances driven by investments for institutional clients in DWS Investment S.A.

HISTORICAL NET FLOWS AND AUM DEVELOPMENT



IN €BN

Net flows by asset class	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Active Equity	(1.6)	1.7	1.0	(1.1)	0.2	1.8	0.1	(0.3)
Active Multi Asset	7.2	(0.7)	(0.6)	(1.2)	0.8	(1.8)	(0.5)	2.0
Active SQI ¹	1.5	(1.5)	(0.2)	(1.0)	(0.4)	(3.1)	0.6	1.1
Active Fixed Income	(7.8)	(5.1)	(4.4)	2.5	0.1	(6.8)	1.0	1.7
Active Cash	(2.5)	3.6	6.3	4.3	5.3	19.5	(8.6)	5.4
Passive	19.1	(2.0)	6.5	6.3	5.9	16.6	7.4	7.9
Alternatives	10.2	1.5	0.0	0.8	1.7	4.0	1.0	1.8
DWS Group	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7

Net flows by region

Americas	3.5	1.8	(2.5)	8.0	1.6	8.8	(3.3)	5.5
EMEA excl. GY	6.5	(2.0)	9.5	(2.1)	6.7	12.1	(0.9)	4.1
Germany (GY)	13.6	(0.9)	0.9	3.0	4.5	7.5	3.9	9.9
Asia Pacific	2.4	(1.2)	0.7	1.6	0.8	1.9	1.3	0.2
DWS Group	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7

Net flows by client channel

Retail	5.1	(0.4)	5.0	2.1	4.7	11.4	5.1	11.2
Institutional	21.0	(2.1)	3.7	8.5	8.9	18.9	(4.1)	8.5
DWS Group	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7

Total net flows	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7
FX impact	6.9	5.2	(6.9)	(12.6)	(11.7)	(26.1)	12.8	(3.3)
Performance	75.1	(66.0)	43.2	15.0	31.6	23.7	13.5	21.9
Other	(2.8)	(4.1)	(0.1)	1.5	(0.0)	(2.8)	0.6	0.4
Total change in AuM	105.2	(67.4)	44.8	14.3	33.4	25.1	27.9	38.8

AuM by asset class	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Active Equity	96	79	91	91	97	97	105	110
Active Multi Asset	58	53	55	55	59	59	60	64
Active SQI ¹	71	63	66	67	69	69	71	74
Active Fixed Income	234	217	219	221	220	220	221	223
Active Cash	57	64	69	71	75	75	68	73
Passive	156	133	154	161	179	179	197	213
Alternatives	96	91	92	92	93	93	99	103
DWS Group	767	700	745	759	793	793	820	859

AuM by region

Americas	199	194	195	199	198	198	203	211
EMEA excl. GY	191	168	202	192	206	206	211	221
Germany (GY)	335	302	308	328	346	346	361	380
Asia Pacific	41	37	40	41	43	43	46	47
DWS Group	767	700	745	759	793	793	820	859

AuM by client channel

Retail	335	292	319	325	343	343	363	386
Institutional	433	408	426	434	449	449	457	473
DWS Group	767	700	745	759	793	793	820	859

Q2 2021 DETAILED INVESTMENT OUTPERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	41%	70%	86%
	Multi Asset ²	21%	21%	21%
	SQI ²	30%	47%	35%
	Fixed Income	89%	96%	99%
	Cash ²	100%	100%	100%
	Total	56%	77%	88%
Active Institutional	Equity ²	76%	73%	74%
	Multi Asset	76%	73%	74%
	SQI	68%	77%	78%
	Fixed Income	71%	77%	83%
	Cash ²	89%	48%	100%
	Total	72%	75%	82%
Active Total	Equity	46%	71%	85%
	Multi Asset	72%	68%	69%
	SQI	61%	72%	73%
	Fixed Income	74%	80%	86%
	Cash	94%	70%	100%
	Total	67%	76%	84%
Alternatives	Direct Real Estate	84%	84%	85%
	Liquid Real Assets	88%	81%	81%
	Other Alternatives ²	0%	43%	43%
	Total	71%	75%	75%
Total DWS	67%	76%	83%	

1 Aggregate asset-weighted gross outperformance of Active and Alternatives products that have benchmark spreads (gross and net) available over respective periods (Active and Liquid Real Assets as of Jun 30, 2021, Direct Real Estate and Other Alternatives as of Mar 31, 2021). 2 <10bn AuM with BM and hence ratios not representative

CONTACT DETAILS



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CAUTIONARY STATEMENTS



This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of DWS Group GmbH & Co. KGaA. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks.

SFDR came into effect on March 10, 2021. It creates a comprehensive reporting framework for financial products and entities. It introduces specific disclosure requirements for products that promote social or environmental characteristics (Article 8) or have sustainable investment as their objective (Article 9), as well as a general disclosure requirement in relation to the integration of sustainability risks with other products (Article 6). The SFDR together with the Taxonomy Regulation, the proposed Corporate Sustainability Reporting Directive and the amended MiFiD II and Insurance Distribution Directive, are expected to create a coherent sustainable finance framework that will translate the EU climate and environmental objectives into transparent criteria for specific economic activities for investment purposes. We have therefore introduced an ESG Product Classification Framework that is designed to comply with SFDR for products within its scope. We have classified such products accordingly as Article 6, 8 and 9 and we consider all Article 8 and 9 products as ESG. For products outside the scope of SFDR (principally originating in the US and Asia Pacific), the ESG Product Classification Framework applies the Global Sustainable Investment Alliance (GSIA) General Industry Standards and Guidelines to institutional products, while retail products are classified in line with the SFDR-based DWS ESG Conversion Framework. Products that comply with these GSIA standards are also classified as ESG. We will continue to develop and refine our ESG Product Classification Framework in accordance with evolving regulation and industry standards. The aforementioned definitions apply to the entire presentation.

This document contains alternative performance measures (APMs). For a description of these APMs, please refer to the Q2 2021 Financial Data Supplement, which is accompanying this presentation and available at <https://group.dws.com/ir/reports-and-events/financial-results/>. Copies of the financial report are readily available upon request or can be downloaded from <https://group.dws.com/ir/reports-and-events>