



Investors for a new now

DWS Group – Q3 2022 results

26 October 2022

Q3 2022 key financial highlights

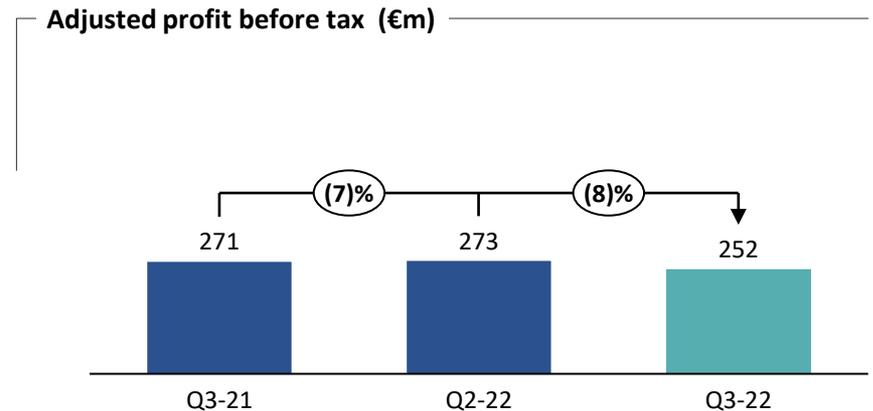
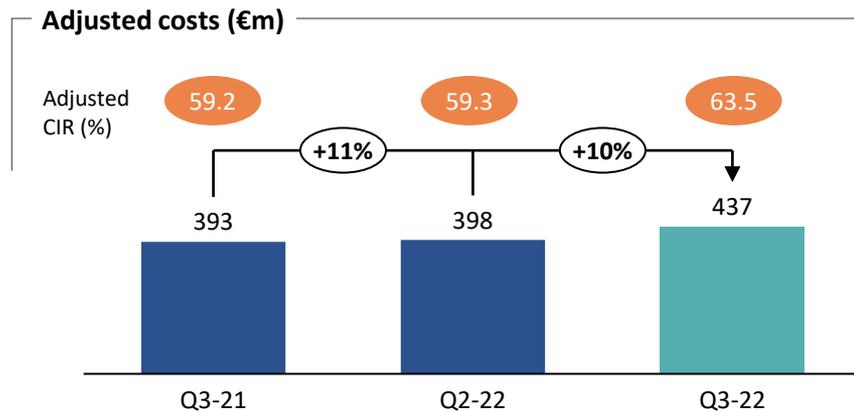
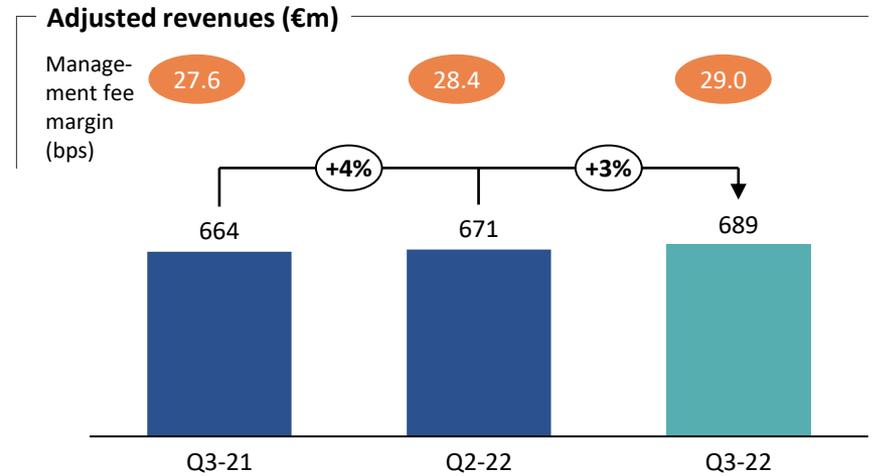
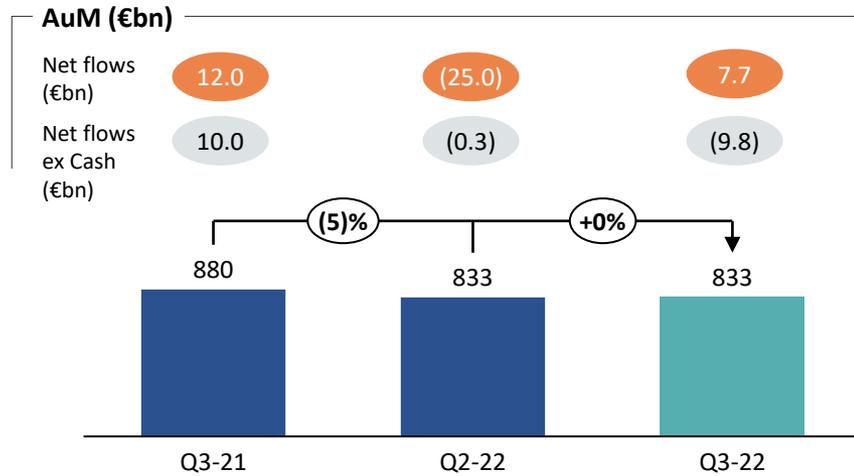
Solid results despite continued challenging market environment



- Adjusted profit before tax reached €252m driven by strong management fees
- Adjusted cost income ratio of 63.5% in Q3 includes extraordinary cost item
- Net inflows of €7.7bn reflect partial reversal of Cash outflows in Q2

Financial performance snapshot – Q3 2022

Strong revenue generation despite market headwinds

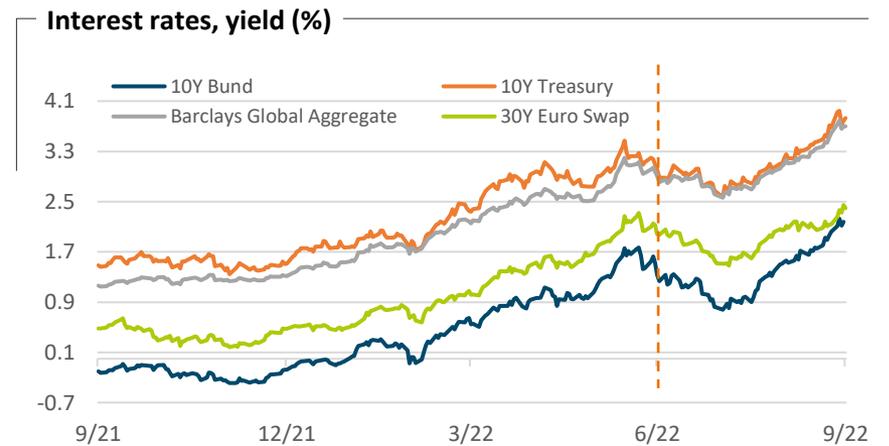


Note: Throughout this presentation totals may not sum due to rounding differences

Market environment



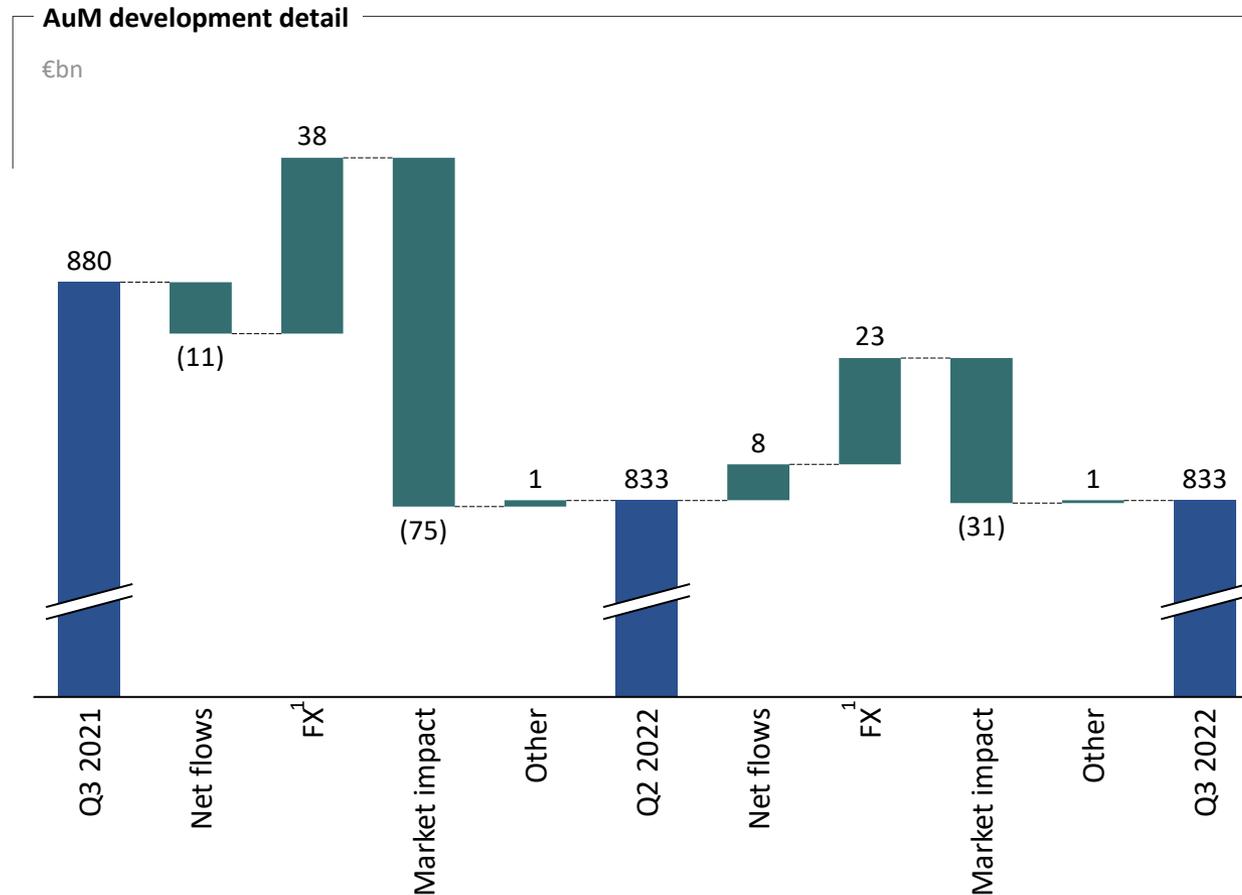
A quarter of two halves – bear market rally followed by further inflation fears



Source: Bloomberg

AuM development

Stable AuM development supported by positive FX impact



Q3 Highlights

AuM remain stable at €833bn in Q3

- Negative market impact of €31bn partly offset by favourable €/€ exchange rate developments
- Increase in interest rates and downturn in global equity markets driving negative market impact

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

Q3 2022 net flows

De-risking by clients affecting almost all asset classes



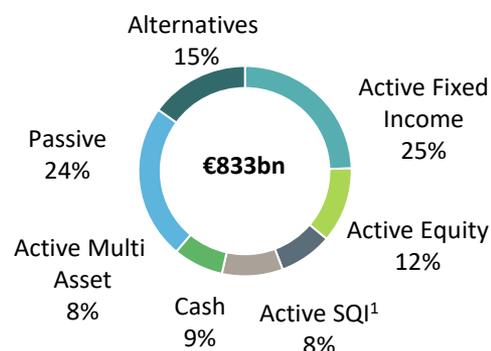
Net flows breakdown

By asset class (€bn)	Q3-21	Q2-22	Q3-22
Active Equity	(0.6)	0.7	(2.1)
Active Multi Asset	1.1	0.6	(0.5)
Active SQI ¹	0.7	0.4	(0.4)
Active Fixed Income	0.8	(0.1)	(4.1)
Passive	6.6	(3.3)	(3.8)
Alternatives	1.4	1.6	1.0
Total ex Cash	10.0	(0.3)	(9.8)
Cash	1.9	(24.8)	17.6
Total	12.0	(25.0)	7.7

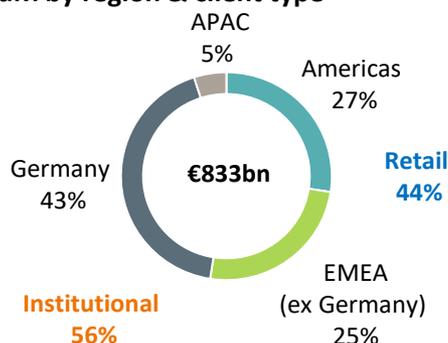
Q3 Highlights

- Net flows of €7.7bn in Q3 driven by inflows into volatile cash products
- Positive net flows of €1.4bn into ESG products²
- High margin Alternatives recorded positive flows in Q3, especially in Real Estate and Liquid Real Assets
- Multi Asset flows with strong investor interest in Concept Kaldemorgen offset by redemptions of institutional pension mandates
- Outflows in Active Equity, Passive and Fixed Income driven by ongoing de-risking and defensive client positioning due to increased economic uncertainty

AuM by asset class



AuM by region & client type



¹ Systematic and Quantitative Investments ² See cautionary statement for ESG product classification framework explanation on p. 17

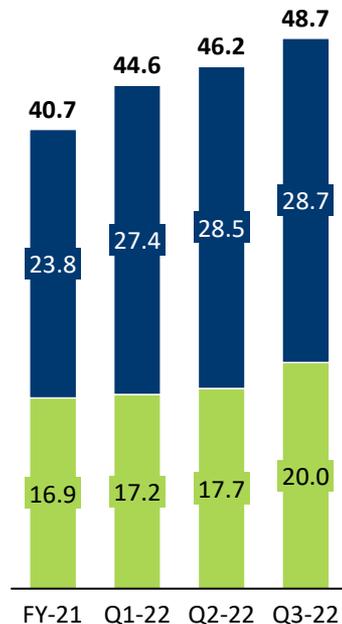
New fund launches and product pipeline

New funds attract strong net flows in Passive and Alternatives

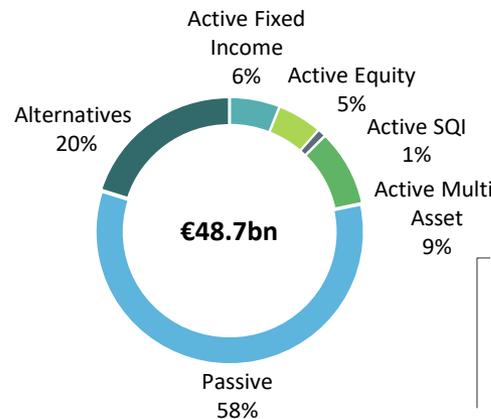
Cumulative flows of new funds since IPO onwards (€bn)

Overall management fee margin of new funds (bps)

~36



Cumulative flows by asset class as of Q3 2022



■ Non-ESG products
■ ESG products¹

Q4 2022 Fund Launches Pipeline²

EXAMPLES

- Xtrackers MSCI Global SDG 7 Clean Energy UCITS ETF
- Xtrackers Emerging Markets Net Zero Pathway Paris **Passive** Aligned UCITS ETF
- Xtrackers II Eurozone Government Green Bond UCITS ETF
- DWS Invest ESG Real Assets **Active**

Product launch strategy 2022

- Accelerated number of product launches in 2022, specifically:
 - “doubling” ETF launches to support product range extension and drive AuM growth ✓
 - Expanding our Alternatives offering with focus on Real Assets and Private markets, also providing products for retail investors and higher returning solutions ✓
 - Thematic launches across asset classes, with focus on climate ✓

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

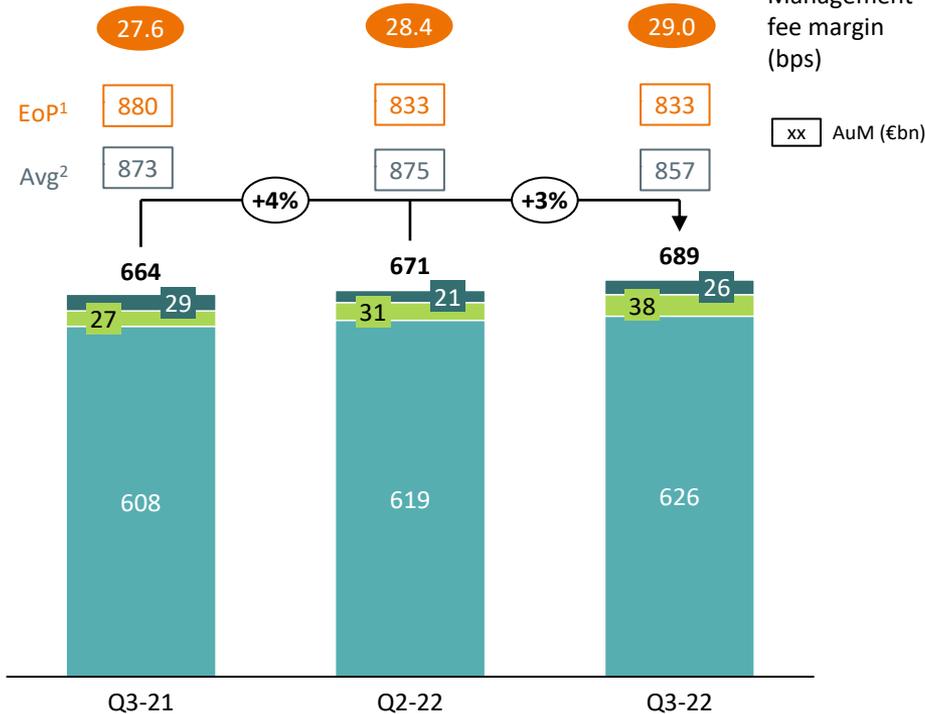
1 See Cautionary Statement for ESG product classification framework explanation on p. 17 2 Subject to demand assessments, approvals and successful transaction execution

Revenue development

Strong management fees despite challenging markets

Adjusted revenues (€m)

- Other revenues
- Performance and transaction fees
- Management fees and other recurring revenues



Q3 Highlights

- Strong management fees supported by high margin Alternatives, which also contributes to fee margin increase q-o-q despite market downturn
- Performance and transaction fees increased by 19% q-o-q due to higher Real Estate performance fee recognition
- Harvest contributed €13m in Q3

1 End of period 2 Monthly average

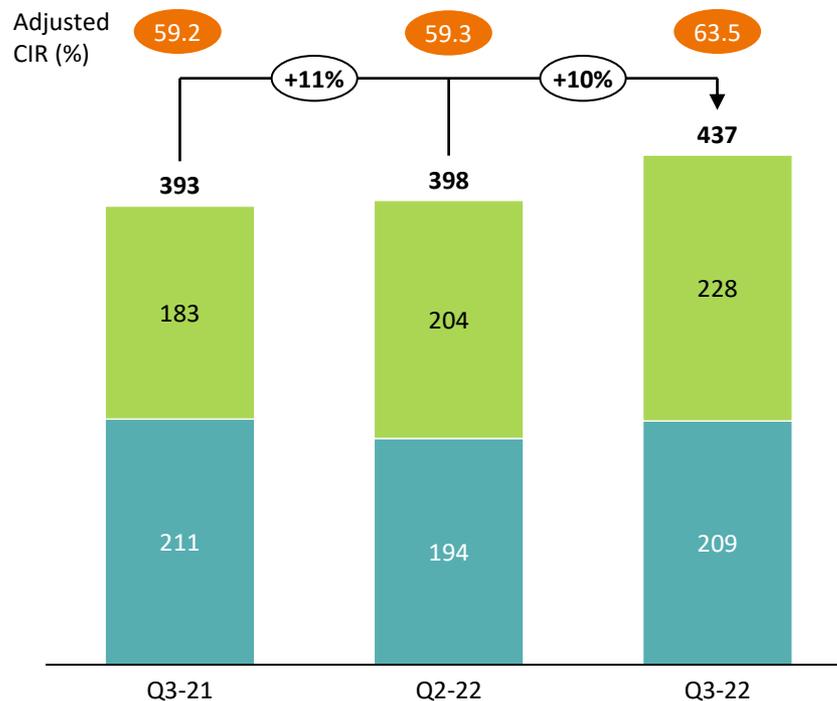
Cost development

Sustained cost discipline while investing into growth



Adjusted costs (€m)¹

- Adjusted Compensation & Benefits
- Adjusted General & Administrative Expenses¹



Q3 Highlights

- Total adjusted costs of €437m increased by 10% q-o-q mainly driven by higher carried interest of ~€25m related to future alternative performance fees
- Excluding carried interest with mismatch, the adjusted CIR would be ~60%
- The adjusted cost base excludes €19m of investments into our infrastructure platform transformation in Q3

¹ Non-interest expenses adjusted for severance payments, restructuring activities, material non-recurring costs, transformational charges and litigation

Q3 2022 conclusion

Solid results in Q3



- Solid financial performance in Q3 despite challenging market environment
- Net flows into high margin and ESG strategies
- Adjusted CIR of around 60% is expected for the full year 2022
- Strong 3 and 5 year investment outperformance at 74% and 76% respectively

Outlook: Continued focus on delivering profitable, disciplined growth



Building on our stable franchise while positioning DWS for the future

Gearing up for a “no-beta” future

Clients

Maintaining our focus on clients

- Assisting clients in portfolio repositioning
- Embracing institutionalization of retail and drive towards “b2B2C”
- Increasing focus on existing and new partnerships

Markets

Navigating turbulences while seeking alpha

- Unlocking alpha-generating opportunities in private markets
- Providing risk capital for the European transformation
- De-coupling from global beta making local expertise more relevant

Investing

Continuing to invest with fiduciary care

- Intensifying focus on strong performance culture
- Renaissance of active asset management
- Fortifying leading position in bespoke Passive with Xtrackers brand

Further details at DWS Capital Markets Day on December 7, 2022

01 Appendix

Profit & Loss and other key performance measures

In €m, unless stated otherwise

	Q3 2022	Q2 2022	Q3 2021	9M 2022	9M 2021	Q3 2022 vs Q2 2022	Q3 2022 vs Q3 2021	9M 2022 vs 9M 2021	
Profit & Loss	Management fees and other recurring revenues	626	619	608	1,863	1,740	1%	3%	7%
	Performance and transaction fees	38	31	27	95	85	19%	39%	11%
	Other revenues	26	21	29	90	97	22%	(10)%	(7)%
	Net revenues	689	671	664	2,049	1,923	3%	4%	7%
	<i>Revenue adjustments</i>	-	-	-	-	-			
	Adjusted revenues	689	671	664	2,049	1,923	3%	4%	7%
	Adjusted Compensation & Benefits	228	204	183	654	585	12%	25%	12%
	Adjusted General & administrative expenses	209	194	211	592	572	8%	(1)%	3%
	Adjusted cost base	437	398	393	1,245	1,157	10%	11%	8%
	Severance & Restructuring	5	8	4	14	10	(37)%	32%	36%
	Transformational charges	19	15	9	41	21	26%	114%	90%
	Other cost adjustments	13	21	0	39	1	(38)%	N/M	N/M
	Total noninterest expenses	474	442	405	1,339	1,189	7%	17%	13%
	Profit before tax	215	230	259	711	734	(6)%	(17)%	(3)%
	Adjusted profit before tax	252	273	271	804	766	(8)%	(7)%	5%
Net income	147	155	182	488	522	(6)%	(19)%	(7)%	
Other Key Performance Measures	Reported CIR	68.8%	65.8%	61.1%	65.3%	61.8%	3.0 ppt	7.7 ppt	3.5 ppt
	Adjusted CIR	63.5%	59.3%	59.2%	60.8%	60.1%	4.2 ppt	4.3 ppt	0.6 ppt
	FTE (#)	3,721	3,508	3,394	3,721	3,394	6%	10%	10%
	AuM (in €bn)	833	833	880	833	880	0%	(5)%	(5)%
	Net flows (in €bn)	7.7	(25.0)	12.0	(18.3)	32.6			
	Net flows ex Cash (in €bn)	(9.8)	(0.3)	10.0	(4.3)	33.9			
	Net flows (% of BoP AuM – annualized)	3.7%	(11.1)%	5.5%	(2.6)%	5.5%			
	Management fee margin (bps - annualized)	29.0	28.4	27.6	28.2	27.89			

Historical net flows and AuM development



Net flow and AUM detail, €bn

	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Net flows by asset class									
Active Equity	1.8	0.1	(0.3)	(0.6)	0.1	(0.7)	0.3	0.7	(2.1)
Active Multi Asset	(1.8)	(0.5)	2.0	1.1	1.3	3.8	6.8	0.6	(0.5)
Active SQI ¹	(3.1)	0.6	1.1	0.7	(0.2)	2.3	(0.1)	0.4	(0.4)
Active Fixed Income	(6.8)	1.0	1.7	0.8	1.0	4.6	(2.7)	(0.1)	(4.1)
Active Cash	19.5	(8.6)	5.4	1.9	7.2	5.9	(6.8)	(24.8)	17.6
Passive	16.6	7.4	7.9	6.6	3.9	25.9	0.5	(3.3)	(3.8)
Alternatives	4.0	1.0	1.8	1.4	1.7	6.0	1.0	1.6	1.0
DWS Group	30.3	1.0	19.7	12.0	15.0	47.7	(1.0)	(25.0)	7.7

Net flows by region

Americas	8.8	(3.3)	5.5	4.5	0.9	7.5	(3.7)	(20.8)	17.4
EMEA excl. GY	12.1	(0.9)	4.1	3.7	8.8	15.7	(4.4)	(2.7)	(7.6)
Germany (GY)	7.5	3.9	9.9	4.3	6.2	24.3	8.5	(0.3)	(1.5)
Asia Pacific	1.9	1.3	0.2	(0.5)	(0.8)	0.1	(1.4)	(1.2)	(0.5)
DWS Group	30.3	1.0	19.7	12.0	15.0	47.7	(1.0)	(25.0)	7.7

Net flows by client channel

Retail	11.4	5.1	11.2	7.9	7.5	31.7	4.6	3.5	(5.9)
Institutional	18.9	(4.1)	8.5	4.1	7.5	16.0	(5.7)	(28.5)	13.6
DWS Group	30.3	1.0	19.7	12.0	15.0	47.7	(1.0)	(25.0)	7.7

Total net flows

FX impact	(26.1)	12.8	(3.3)	7.9	8.3	25.8	8.7	20.7	22.8
Performance	23.7	13.5	21.9	0.9	23.7	60.1	(33.3)	(65.1)	(31.1)
Other	(2.8)	0.6	0.4	(0.2)	0.7	1.5	0.4	0.2	0.6
Total change in AuM	25.1	27.9	38.8	20.6	47.8	135.0	(25.2)	(69.3)	0.0

	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
AuM by asset class									
Active Equity	97	105	110	110	116	116	112	102	97
Active Multi Asset	59	60	64	67	70	70	74	69	67
Active SQI ¹	69	71	74	75	77	77	72	66	64
Active Fixed Income	220	221	223	225	227	227	215	208	205
Active Cash	75	68	73	76	84	84	79	56	77
Passive	179	197	213	221	238	238	230	207	198
Alternatives	93	99	103	107	115	115	120	123	126
DWS Group	793	820	859	880	928	928	902	833	833

AuM by region

Americas	198	203	211	220	230	230	226	206	229
EMEA excl. GY	206	211	221	227	245	245	235	219	209
Germany (GY)	346	361	380	386	405	405	396	365	354
Asia Pacific	43	46	47	46	48	48	46	43	41
DWS Group	793	820	859	880	928	928	902	833	833

AuM by client channel

Retail	343	363	386	396	421	421	414	387	371
Institutional	449	457	473	484	507	507	489	446	463
DWS Group	793	820	859	880	928	928	902	833.1	833.1

Q3 2022 detailed investment outperformance



Investment performance, in %¹

		1Y	3Y	5Y
Active Retail	Equity	57%	65%	68%
	Multi Asset ²	77%	23%	23%
	SQI ²	48%	59%	76%
	Fixed Income	25%	69%	68%
	Cash ²	0%	100%	100%
	Total	45%	68%	70%
Active Institutional	Equity ²	51%	70%	53%
	Multi Asset	45%	58%	54%
	SQI	55%	71%	72%
	Fixed Income	57%	75%	78%
	Cash ²	44%	39%	78%
	Total	55%	71%	75%
Active Total	Equity	56%	66%	66%
	Multi Asset	47%	56%	52%
	SQI	53%	68%	73%
	Fixed Income	53%	74%	77%
	Cash	27%	62%	87%
	Total	52%	70%	73%
Alternatives	Direct Real Estate	88%	91%	91%
	Liquid Real Assets	73%	97%	81%
	Other Alternatives ²	66%	66%	66%
	Total	80%	90%	85%
Total DWS	58%	74%	76%	

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 Sep 30, 2022, Direct Real Estate and Other Alternatives as of Jun 30, 2022) ² <10bn AuM with BM and hence ratios not representative

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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.

Our ESG Product Classification Framework (“ESG Framework”) was introduced in 2021, taking into account relevant legislation (including SFDR), market standards and internal developments and was further described in our Annual Report 2021. For Q3 2022, there is no change in the ESG Framework described in the Annual Report 2021. We will continue to develop and refine our ESG Framework in accordance with evolving regulation and market practice. 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 Q3 2022 Financial Data Supplement, which is accompanying this presentation and available at <https://group.dws.com/ir/reports-and-events/financial-results/>. Copies of the Annual Report 2021 are readily available upon request or can be downloaded from <https://group.dws.com/ir/reports-and-events>