



Investors for a new now

# DWS Group – Q1 2023 results

April 27, 2023

# Q1 2023 key financial highlights

DWS on track to meet financial ambitions for 2023 and beyond



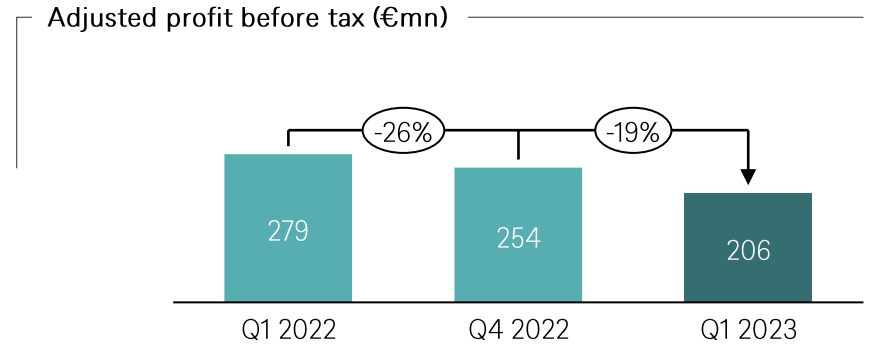
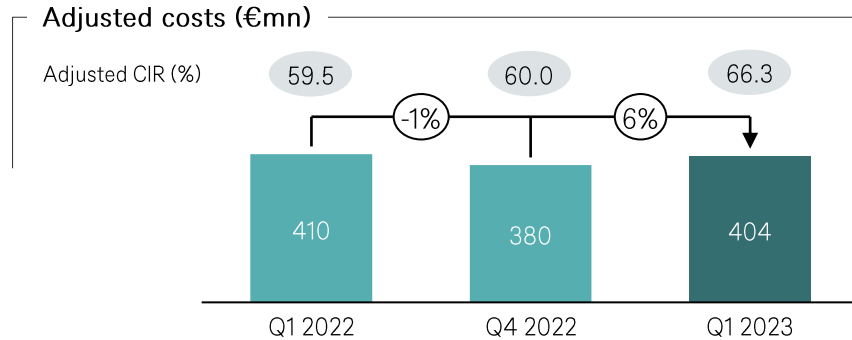
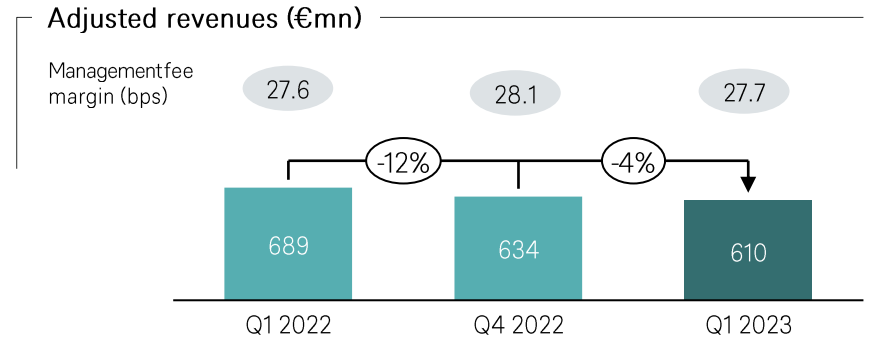
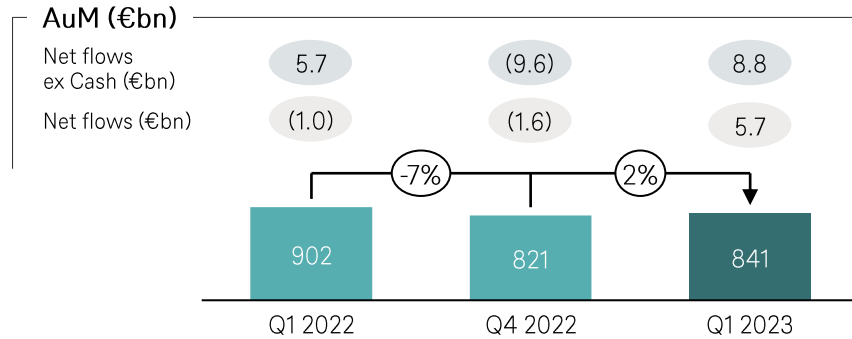
» Net flows excluding Cash of €8.8bn, driven by Xtrackers and Multi Asset

» Adjusted cost income ratio of 66.3%, on track to achieve FY 2023 guidance

» Adjusted profit before tax of €206m reflective of markets and transformational efforts

# Financial performance snapshot – Q1 2023

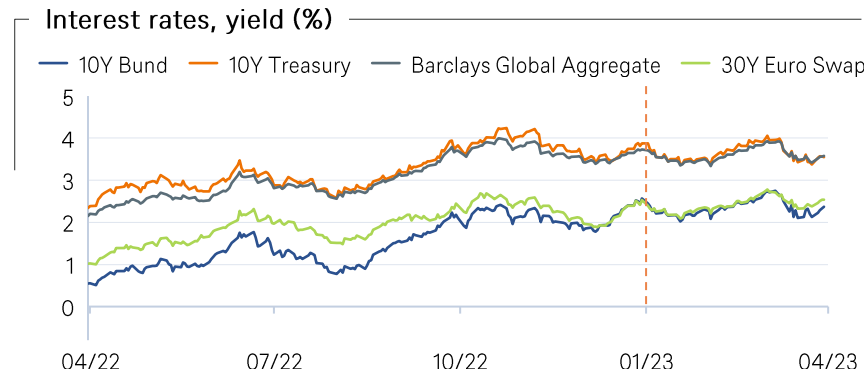
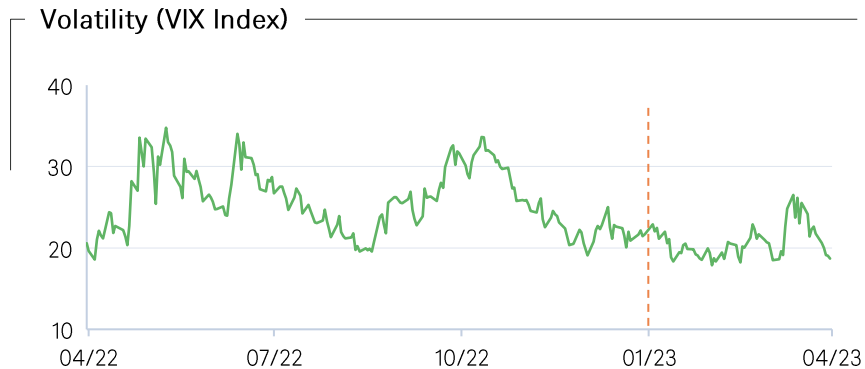
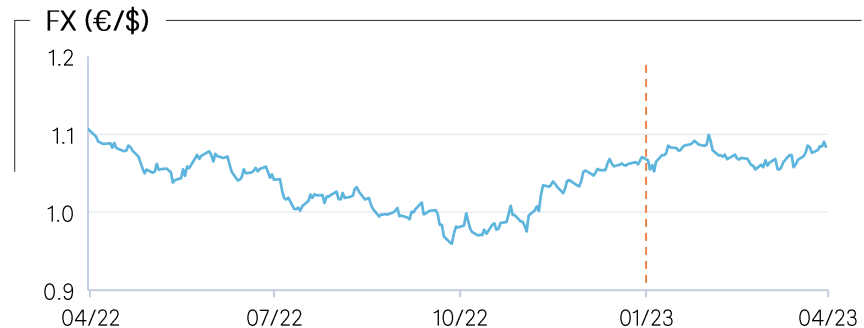
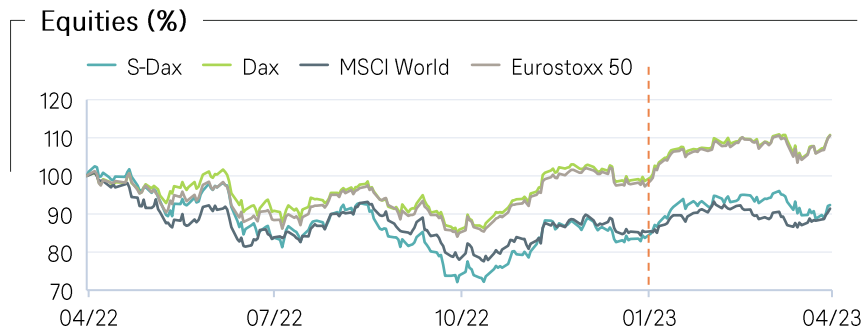
Growth in AuM stabilizing adjusted revenues



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

# Market environment

## Constructive start into 2023



Source: Bloomberg

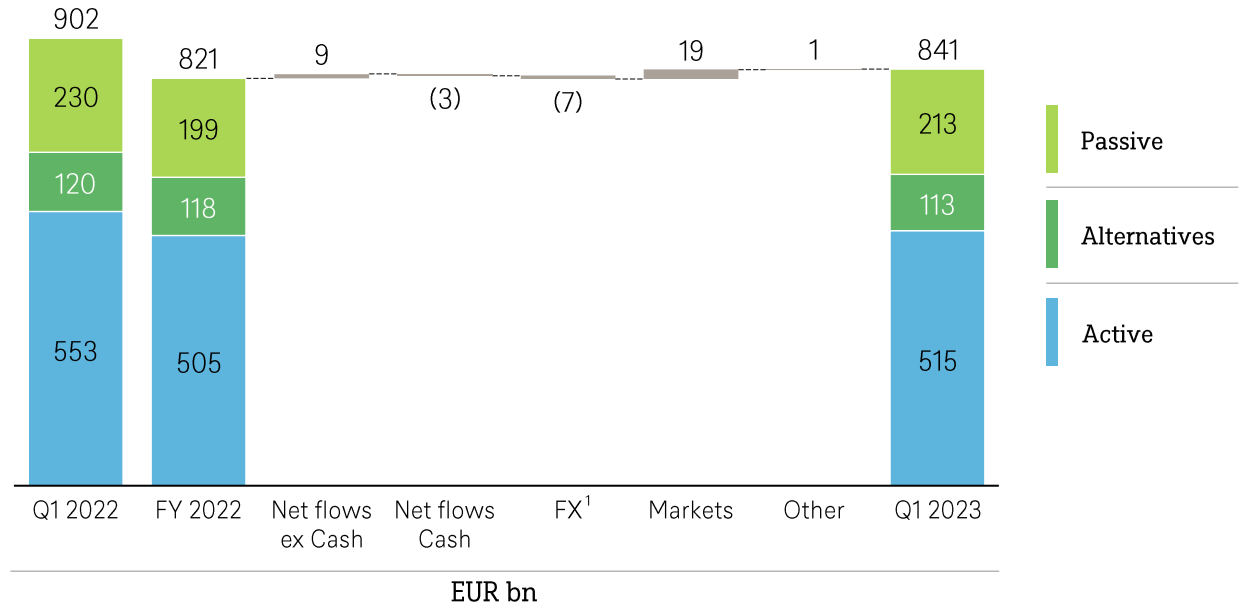
# AuM development

Net flows and supportive markets lead to AuM increase q-o-q

## Highlights

- AuM increased by 2% to €841bn in Q1 2023
- Positive market impact of €19bn in Q1, partially offset by negative €/€ exchange rate movements
- €6bn of net flows support positive AuM development in Q1 2023

AuM development Q1 2022 – Q1 2023



<sup>1</sup> Represents FX impact from non-Euro denominated products; excludes performance impact from FX

# Net flows and AUM by asset class & region

Flow momentum turned positive despite continued market volatility

## Highlights

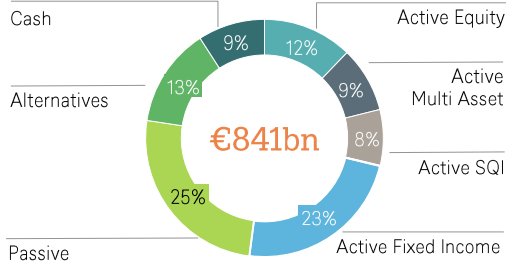
- Net inflows ex Cash of €8.8bn strongly supported by Xtrackers and Multi Asset as well as ESG
- Solid start for Active Equity with inflows into flagship funds
- Multi Asset supported by a significant mandate win during the quarter
- Strong ETF flows supported by significant flows in Fixed Income products
- Net inflows from Fixed Income supported by Institutional mandate wins
- Alternatives with net outflows, driven by two LRA mandate redemptions

<sup>1</sup>Systematic and Quantitative Investments

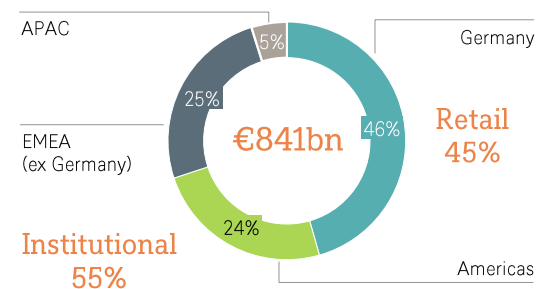
## Net flows breakdown, €bn

	Q1 2022	Q4 2022	Q1 2023
Active Equity	0.3	0.3	0.4
Active Multi Asset	6.8	(1.0)	5.6
Active SQI <sup>1</sup>	(0.1)	(0.3)	(0.8)
Active Fixed Income	(2.7)	(5.2)	0.5
Passive	0.5	(0.5)	4.4
Alternatives	1.0	(2.9)	(1.4)
<b>Total ex Cash</b>	<b>5.7</b>	<b>(9.6)</b>	<b>8.8</b>
Cash	(6.8)	8.0	(3.1)
<b>Total</b>	<b>(1.0)</b>	<b>(1.6)</b>	<b>5.7</b>

## AuM by asset class



## AuM by region & client type

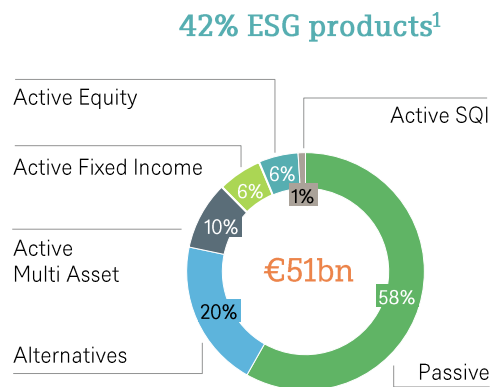


# New fund launches and product pipeline

EUR 1.1bn of inflows in 2023 from new funds launched since IPO



## Cumulative flows since IPO as of Q1 2023



Management fee margin of new funds (bps)

~36

## Product strategy highlights in 2023

- Active innovation addressing market opportunities e.g., Fixed Maturity Diversified Bonds 2026
- Xtrackers range expansion with series of UCITS SDG and Climate Transition ETFs launched
- New Infrastructure fund addressing European Transformation for retail clients
- Strategic alliance agreement with Galaxy Digital Holdings Ltd signed

## Q2 2023 Fund Launches Pipeline<sup>2</sup>

- |  |              |
|--|--------------|
| – MSCI USA Climate Action Equity ETF Xtrackers | Passive      |
| – MSCI World Quality ESG UCITS ETF             |              |
| – European Real Estate Transformation Fund     | Alternatives |
| – DWS Fixed Maturity Diversified Bonds 2027    | Active       |

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

<sup>1</sup> See Cautionary Statement for ESG product classification framework explanation on p. 17. <sup>2</sup> Examples, subject to demand assessments, approvals and successful transaction execution.

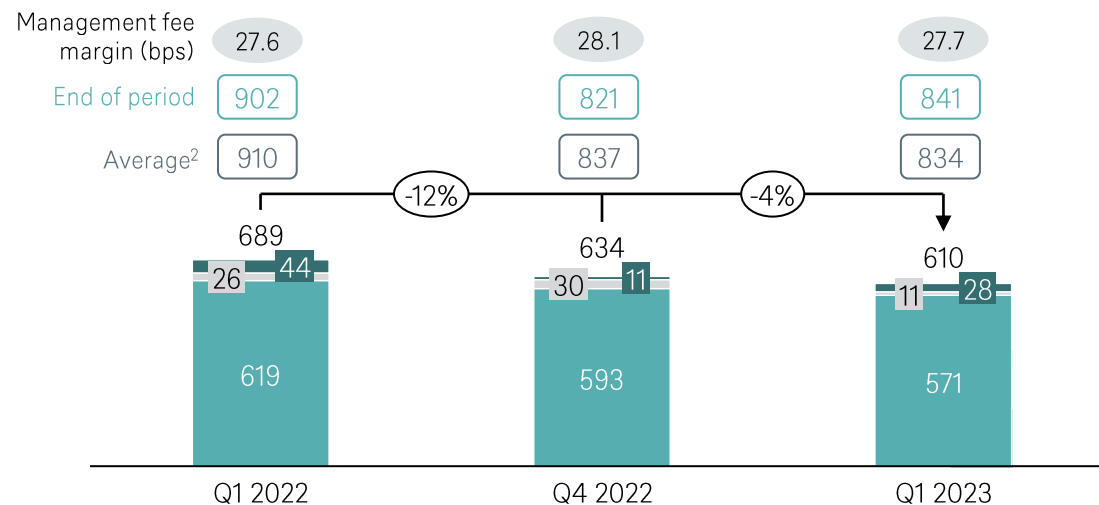
# Revenue development

Increase in other revenues more than offset by lower performance and transaction fees

## Highlights

- Adjusted for less business days in Q1, management fees remained almost stable q-o-q
- Performance and transaction fees decreased q-o-q, mainly due to lower performance and real estate transaction fees
- Adjusted other revenues were €18mn higher than Q4 2022, due to a favorable change in fair value of guarantees and increased net interest income

## Adjusted revenues<sup>1</sup>



EUR mn

xx AuM (€bn)  
 Management fees and other recurring revenues  
 Performance & transaction fees  
 Other revenues

<sup>1</sup>(Other) revenues adjusted for material sales gain (Q4 2022: €30m, Q1 2023: €14m) <sup>2</sup>Monthly average



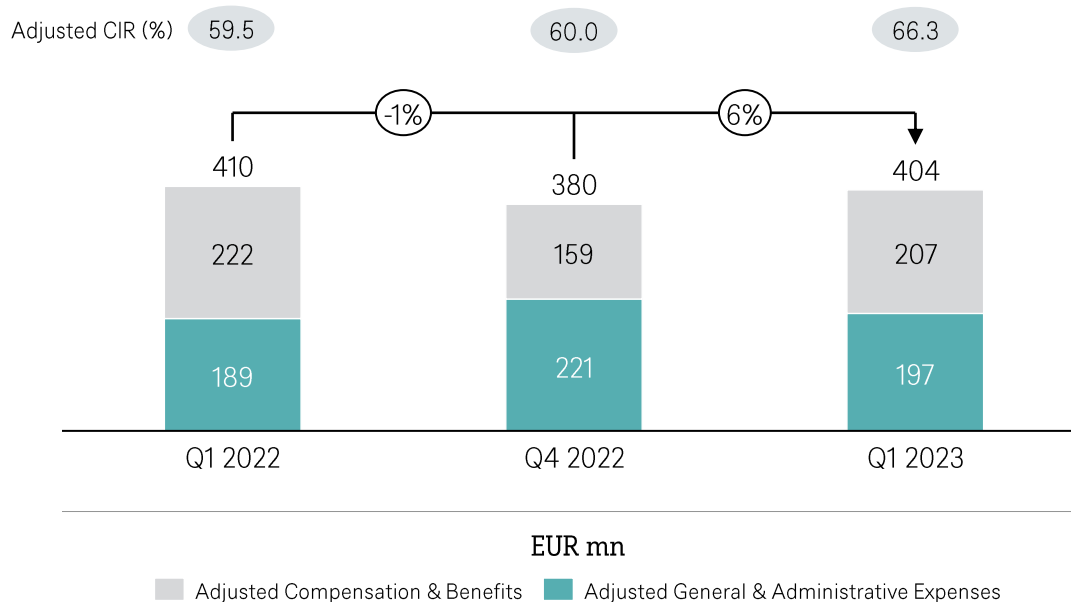
# Cost development

Costs on track, benefitting from cost optimization initiatives

## Highlights

- Total adjusted costs of €404mn decreased 6% q-o-q, excluding the carried interest benefit in Q4 2022
- Excluding carried interest, adjusted compensation & benefits were essentially flat q-o-q
- Adjusted G&A decreased due to lower IT and professional services
- The adjusted cost base excludes €18mn of investments into our infrastructure platform transformation

## Adjusted costs<sup>1</sup>



<sup>1</sup>Non-interest expenses adj. for severance payments, restructuring activities, impairments of goodwill & other intangible assets, material non-recurring expenses, transformational charges and litigation

# Financial Outlook 2023

Re-confirming our guidance



## Adjusted CIR

– Adjusted CIR is expected to increase in 2023, but will stay below 65%

## Revenues

– Adjusted revenues are expected to stay essentially flat vs. 2022

## Flows

– Net flows are expected to return to positive territory, driven by our growth areas of Passive including Xtrackers and Alternatives

Note: Subject to geopolitical uncertainty and if economic conditions normalize

The background features a series of thin, parallel diagonal lines sloping upwards from left to right. A large, light gray triangle is positioned in the upper right corner, pointing downwards and to the left.

# Appendix

# Our Financial Targets 2025

	Guidance 2023	Refined Targets 2025
Earnings per share		EUR 4.50
Adjusted CIR	<65%	<59%
Xtrackers <sup>1</sup> AuM Growth		>12% (CAGR 2022-2025)
Alternatives AuM Growth		>10% (CAGR 2022-2025)

Note: Targets 2025 assuming stable market conditions <sup>1</sup>Xtrackers refers to all Passive products incl UCITS ETPs, 1940 Act Funds as well as passive mandates

Source: DWS Capital Markets Day 2022 on December 9, 2022

# DWS financial performance



## Profit & Loss and other key performance measures, €mn, unless stated otherwise

	Q1 2023	Q4 2022	Q1 2022	Q1 2023 vs Q4 2022	Q1 2023 vs Q1 2022	
Profit & Loss	Management fees and other recurring revenues	571	593	619	(4)%	(8)%
	Performance and transaction fees	11	30	26	(64)%	(58)%
	Other revenues	42	40	44	5%	(3)%
	Net revenues	624	663	689	(6)%	(9)%
	Revenue adjustments	14	30	0	(52)%	N/M
	Adjusted revenues	610	634	689	(4)%	(12)%
	Adjusted Compensation & Benefits	(207)	(159)	(222)	30%	(6)%
	Adjusted General & administrative expenses	(197)	(221)	(189)	(11)%	4%
	Adjusted cost base	(404)	(380)	(410)	6%	(1)%
	Severance & Restructuring	(6)	(23)	(1)	(75)%	N/M
	Impairment of goodwill and other intangible assets	0	(68)	0	N/M	N/M
	Transformational charges	(18)	(17)	(7)	1%	135%
	Other cost adjustments	1	(19)	(4)	(105)%	(120)%
	Total noninterest expenses	(427)	(508)	(423)	(16)%	1%
	Profit before tax	197	155	266	27%	(26)%
Adjusted profit before tax	206	254	279	(19)%	(26)%	
Net income	138	107	186	29%	(26)%	
Other Key Performance Measures	Reported CIR	68.4%	76.6%	61.4%	(8.2) ppt	7.0 ppt
	Adjusted CIR	66.3%	60.0%	59.5%	6.3 ppt	6.8 ppt
	FTE (#)	4,280	3,657	3,459	17%	24%
	AuM (in €bn)	841	821	902	2%	(7)%
	Net flows (in €bn)	5.7	(1.6)	(1.0)		
	Net flows ex Cash (in €bn)	8.8	(9.6)	5.7		
	Management fee margin (bps - annualized)	27.7	28.1	27.6		

# Historical net flows and AuM development

## Net flow and AUM detail, €bn

	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
<b>Net flows by asset class</b>							
Active Equity	(0.7)	0.3	0.7	(2.1)	0.3	(0.8)	0.4
Active Multi Asset	3.8	6.8	0.6	(0.5)	(1.0)	5.9	5.6
Active SQI <sup>1</sup>	2.3	(0.1)	0.4	(0.4)	(0.3)	(0.3)	(0.8)
Active Fixed Income	4.6	(2.7)	(0.1)	(4.1)	(5.2)	(12.2)	0.5
Passive	25.9	0.5	(3.3)	(3.8)	(0.5)	(7.1)	4.4
Alternatives	6.0	1.0	1.6	1.0	(2.9)	0.6	(1.4)
<b>Total ex Cash</b>	<b>41.7</b>	<b>5.7</b>	<b>(0.3)</b>	<b>(9.8)</b>	<b>(9.6)</b>	<b>(13.9)</b>	<b>8.8</b>
Active Cash	5.9	(6.8)	(24.8)	17.6	8.0	(6.0)	(3.1)
<b>DWS Group</b>	<b>47.7</b>	<b>(1.0)</b>	<b>(25.0)</b>	<b>7.7</b>	<b>(1.6)</b>	<b>(19.9)</b>	<b>5.7</b>
<b>Net flows by region</b>							
Americas	7.5	(3.7)	(20.8)	17.4	(5.9)	(13.1)	(3.8)
EMEA excl. Germany	15.7	(4.4)	(2.7)	(7.6)	5.2	(9.6)	1.1
Germany	24.3	8.5	(0.3)	(1.5)	(0.6)	6.1	8.9
Asia Pacific	0.1	(1.4)	(1.2)	(0.5)	(0.2)	(3.4)	(0.5)
<b>DWS Group</b>	<b>47.7</b>	<b>(1.0)</b>	<b>(25.0)</b>	<b>7.7</b>	<b>(1.6)</b>	<b>(19.9)</b>	<b>5.7</b>
<b>Net flows by client channel</b>							
Retail	31.7	4.6	3.5	(5.9)	(2.2)	0.0	3.1
Institutional	16.0	(5.7)	(28.5)	13.6	0.6	(19.9)	2.6
<b>DWS Group</b>	<b>47.7</b>	<b>(1.0)</b>	<b>(25.0)</b>	<b>7.7</b>	<b>(1.6)</b>	<b>(19.9)</b>	<b>5.7</b>
<b>Change in AuM</b>							
Total net flows	47.7	(1.0)	(25.0)	7.7	(1.6)	(19.9)	5.7
FX	25.8	8.7	20.7	22.8	(30.4)	21.9	(6.6)
Markets	60.1	(33.3)	(65.1)	(31.1)	21.4	(108.2)	18.8
Other	1.5	0.4	0.2	0.6	(1.1)	0.1	1.2
<b>Total change in AuM</b>	<b>135.0</b>	<b>(25.2)</b>	<b>(69.3)</b>	<b>0.0</b>	<b>(11.6)</b>	<b>(106.1)</b>	<b>19.1</b>

	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
<b>AuM by asset class</b>							
Active Equity	116	112	102	97	99	99	103
Active Multi Asset	70	74	69	67	68	68	75
Active SQI <sup>1</sup>	77	72	66	64	64	64	64
Active Fixed Income	227	215	208	205	194	194	196
Passive	238	230	207	198	199	199	213
Alternatives	115	120	123	126	118	118	113
<b>Total ex Cash</b>	<b>843</b>	<b>824</b>	<b>777</b>	<b>756</b>	<b>741</b>	<b>741</b>	<b>764</b>
Active Cash	84	79	56	77	80	80	77
<b>DWS Group</b>	<b>928</b>	<b>902</b>	<b>833</b>	<b>833</b>	<b>821</b>	<b>821</b>	<b>841</b>
<b>AuM by region</b>							
Americas	230	226	206	229	209	209	204
EMEA excl. Germany	245	235	219	209	204	204	210
Germany	405	396	365	354	368	368	385
Asia Pacific	48	46	43	41	41	41	41
<b>DWS Group</b>	<b>928</b>	<b>902</b>	<b>833</b>	<b>833</b>	<b>821</b>	<b>821</b>	<b>841</b>
<b>AuM by client channel</b>							
Retail	421	414	387	371	367	367	381
Institutional	507	489	446	463	454	454	460
<b>DWS Group</b>	<b>928</b>	<b>902</b>	<b>833</b>	<b>833</b>	<b>821</b>	<b>821</b>	<b>841</b>

<sup>1</sup> Systematic and Quantitative Investments

# Q1 2023 detailed investment outperformance

## Investment performance, in %<sup>1</sup>

		1Y	3Y	5Y
Active Retail	Equity	16%	42%	64%
	Multi Asset <sup>2</sup>	70%	23%	23%
	SQI <sup>2</sup>	88%	52%	79%
	Fixed Income	56%	89%	74%
	Cash <sup>2</sup>	0%	100%	100%
	<b>Total</b>		<b>28%</b>	<b>57%</b>
Active Institutional	Equity <sup>2</sup>	64%	59%	63%
	Multi Asset	37%	75%	57%
	SQI	67%	71%	66%
	Fixed Income	61%	86%	80%
	Cash <sup>2</sup>	47%	83%	79%
	<b>Total</b>		<b>59%</b>	<b>82%</b>
Active Total	Equity	22%	44%	64%
	Multi Asset	40%	71%	55%
	SQI	72%	67%	68%
	Fixed Income	60%	86%	79%
	Cash	31%	90%	88%
	<b>Total</b>		<b>49%</b>	<b>73%</b>
Alternatives	Direct Real Estate	89%	91%	90%
	Liquid Real Assets	30%	88%	98%
	Other Alternatives <sup>2</sup>	56%	56%	56%
	<b>Total</b>		<b>63%</b>	<b>86%</b>
<b>Total DWS</b>		<b>51%</b>	<b>75%</b>	<b>76%</b>

<sup>1</sup> 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 March 31, 2023, Direct Real Estate and Other Alternatives as of March 31, 2023)

<sup>2</sup> <10bn AuM with BM and hence ratios not representative

# Investor relations

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# Cautionary statements (1/2)



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. Based on the further evolution of the regulatory environment, we incorporated some refinements into the ESG Framework in the fourth quarter of 2022. Besides liquid passively managed funds (ETFs) which apply a screen comparable to the “DWS ESG Investment Standard” filter or have a “sustainable investment objective”, as well as other liquid passively managed funds which have been labelled as ESG and/or seek to adhere to an ESG investment strategy now also liquid passively managed funds (ETFs) which track indices that comply with the EU Benchmark regulation on EU Climate Transition Benchmark and EU Paris-Aligned Benchmark are considered as ESG. Further details will be published in our Annual Report 2022 published on March 17, 2023 .

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 presentation contains alternative performance measures (APMs). For a description of these APMs, please refer to the Interim Report, which is available at <https://group.dws.com/ir/reports-and-events/financial-results/>.

## Cautionary statements (2/2)



To measure outperformance, each fund or mandate of DWS Group which has a benchmark and where both gross and net outperformance is available has its performance (gross of fees) measured against that benchmark. In certain cases for illiquid portfolios where no benchmark is available but a target return is defined we use this target return instead of a benchmark for outperformance calculation. Where a fund or mandate outperforms its benchmark, the AuM held by such fund or mandate is included in the total proportion of our AuM included in outperformance figures. Fund of Funds are counted as products, e.g. when showing the absolute or relative number of products but are accounted with zero AuM for the purpose of AuM-based outperformance figures. Performance data is based on our internal performance review database and measured gross of fees.

The outperformance ratio is defined as the AuM of all funds and mandates of DWS group that outperformed their benchmark over the respective period divided by the AuM of all funds and mandates that have a benchmark assigned and performance data available.

Outperformance is only one factor among many that influences the levels of our AuM, and the levels of our AuM are only one factor that contributes to our results of operations and financial position. Historical outperformance statistics should not be considered a substitute for financial information and trends in outperformance do not correlate with changes in net income.