



#ConnectingTheDots

DWS Group – Q3 2024 results

October 23, 2024



Q3 2024 key financial highlights

Improved financial results underpinning path towards 2025 strategic targets



Record levels for Assets under Management, Long-Term flows and Passive inflows



Strong management fee improvement to €626mn, despite ongoing margin pressure



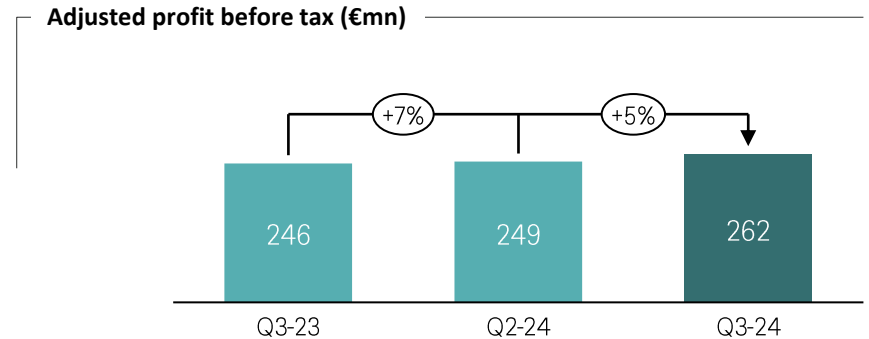
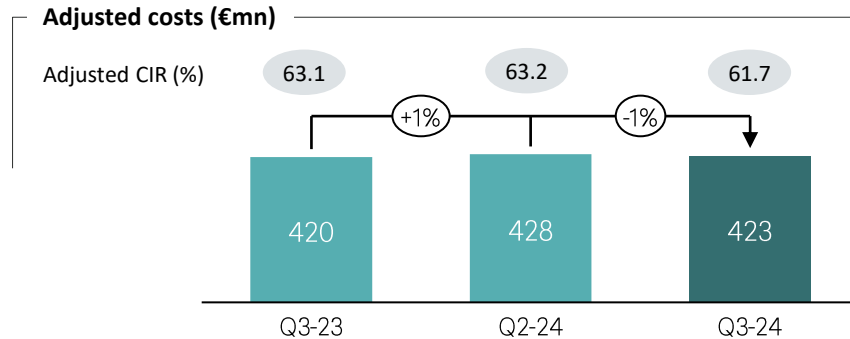
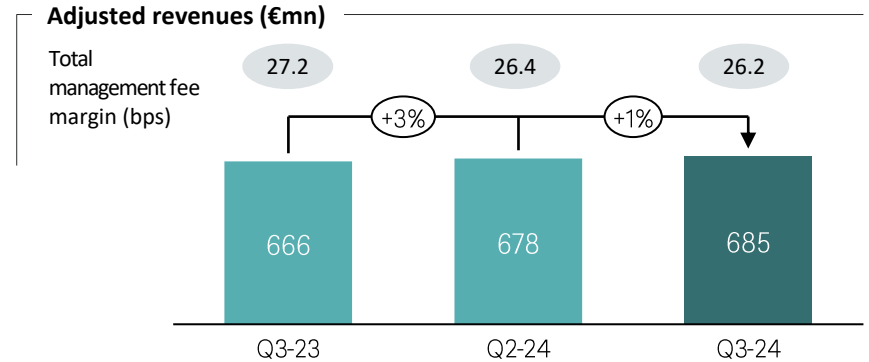
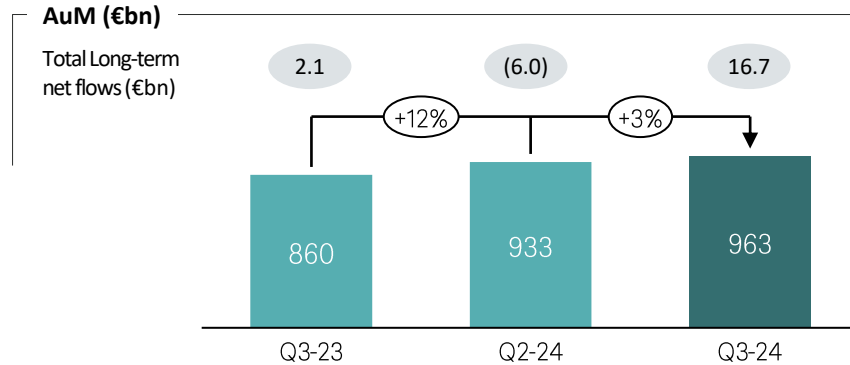
Improved adjusted profit before tax to €262mn, benefitting from continued operating leverage



Adjusted cost-income-ratio at 61.7%, being below FY24 adjusted CIR guidance of 62-64%

Financial performance snapshot – Q3 2024

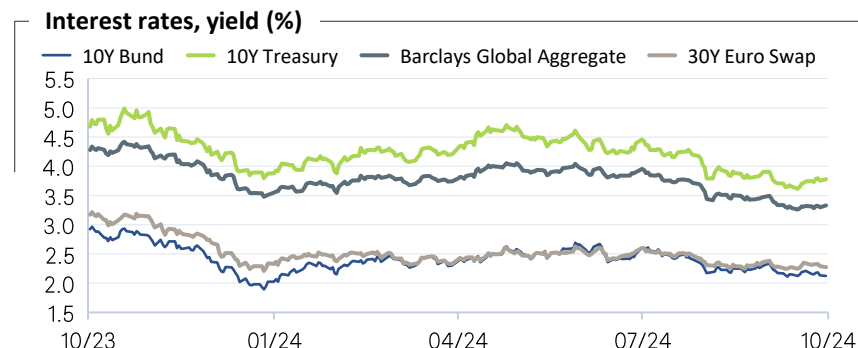
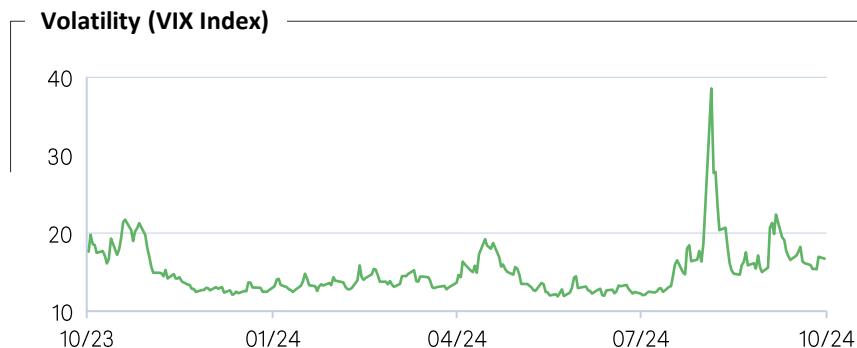
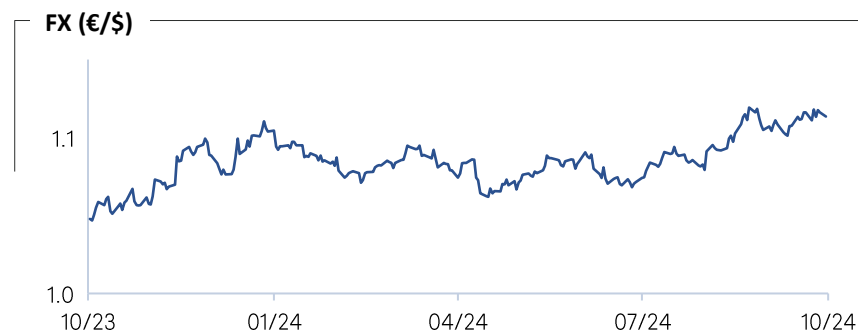
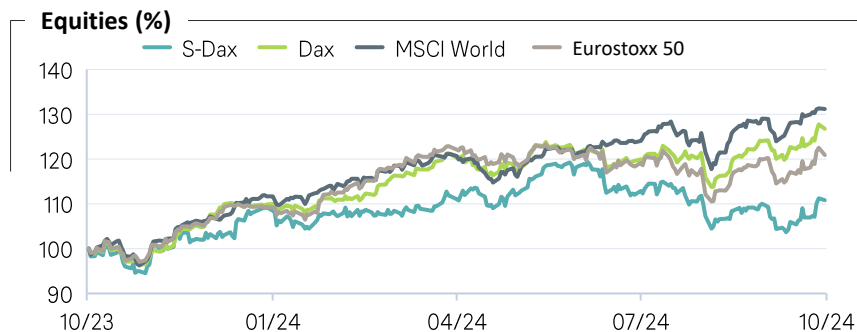
Improved adjusted profit before tax benefitting from better revenues and lower costs



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

Market environment

Markets stabilized following high volatility in August and benefited from recent rate cuts



Source: Bloomberg

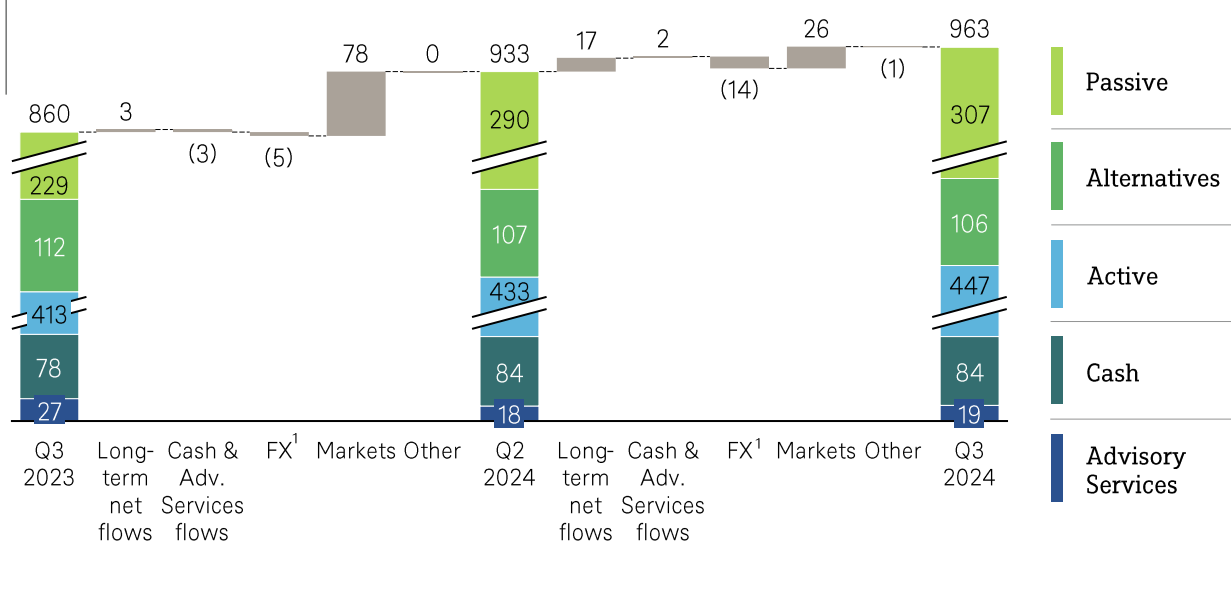
Total AuM development

AuM levels at record high resulting from strong net flows and supportive market environment

Q3 Highlights

- Total AuM increased to €963bn, at record high level
- Positive market impact of €26bn and strong flow development of €18bn are more than offsetting negative exchange rate movements
- Continued strong Passive AuM development with a 6% q-o-q increase, growth above >12% CAGR strategic growth target

AuM development Q3 2023 – Q3 2024



EUR bn

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

AuM and net flows by asset class & region

Strong inflows driven by highest quarterly long-term flows

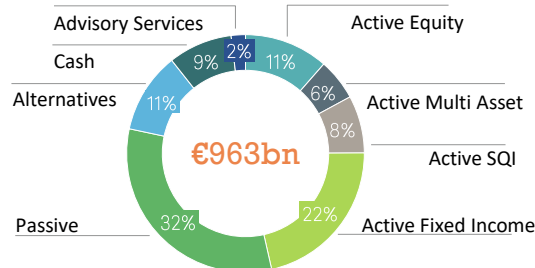
Q3 Highlights

- Record quarter for long-term flows of €16.7bn; total flows improved to €18.3bn
- Active Fixed Income flows of €10.3bn including one large insurance mandate
- Continued strong Passive inflows of €9.5bn, mainly from UCITS ETFs, increasing ETF market share to 10.7%¹
- Net outflows in Equity, Multi Asset and Alternatives; Infrastructure reported inflows of €1.3bn
- Alternative net flows are expected to be positive in H2 2024 driven by inflows into infrastructure products in Q4

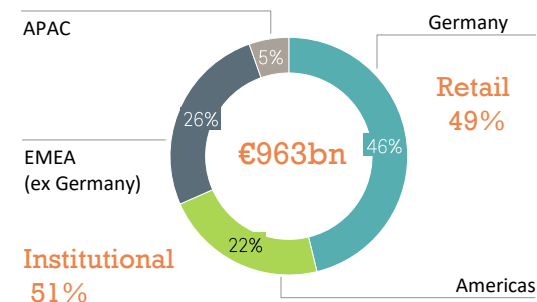
Total net flows breakdown, €bn

	Q3-23	Q2-24	Q3-24
Active Equity	(1.5)	(0.9)	(1.6)
Active Multi Asset	(0.9)	(0.5)	(1.0)
Active SQI ²	(0.6)	0.4	(0.0)
Active Fixed Income	0.2	(12.1)	10.3
Passive	6.2	8.5	9.5
Alternatives	(1.3)	(1.4)	(0.5)
Long-term net flows	2.1	(6.0)	16.7
Cash	0.6	(1.8)	1.2
Advisory Services	(0.5)	(10.8)	0.4
DWS Group	2.3	(18.7)	18.3

Total AuM by asset class



Total AuM by region & client type



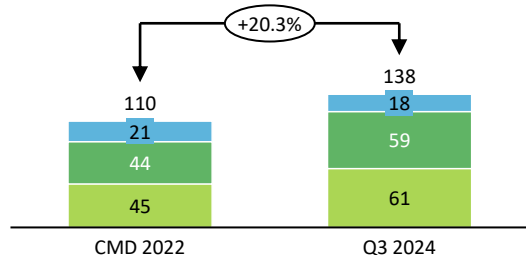
¹ ETFGI European League Table September 2024 ² Systematic and Quantitative Investments

Product overview

Double digit increase in funds greater than €1bn

Number of funds above €1bn AuM¹

■ Alternatives ■ Active ■ Passive



Q3 2024 Product update

Passive

- Launch of Target Maturity series, CSI 500 Swap UCITS ETF and Artificial Intelligence & Big Data ETF

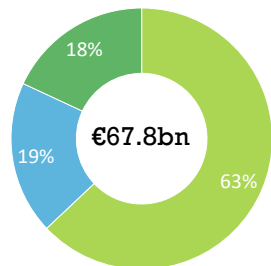
Active

- Launch of DWS Invest Global Growth Leaders and DWS Concept Nissay Japan Value Equity

Alternatives

- Successful 3rd tranche of rolling closing for capital raise commitments of private European Infrastructure Equity Strategy

Cumulative flows of new funds since IPO as of Q3 2024



Total management fee margin of new funds (bps)

~33

Share of ESG Products²

~41%

Q4 2024 fund launches pipeline³

Passive

- Xtrackers World Green Transition Innovators UCITS ETF and Xtrackers World Small Cap Green Transition Innovators UCITS ETF

Active

- Fixed Income Horizon 2027

Alternatives

- Spanish Real Estate vehicle

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

¹ Ambition to increase share of Active funds above €1bn in AuM by 20% between CMD 2022 and 2025. German Special funds are not included ² For details on ESG product classification, please refer to the section 'Our Responsibility – Sustainable Action – Our Product Suite' in our Annual Report 2023 ³ Examples, subject to demand assessments, approvals and successful transaction execution

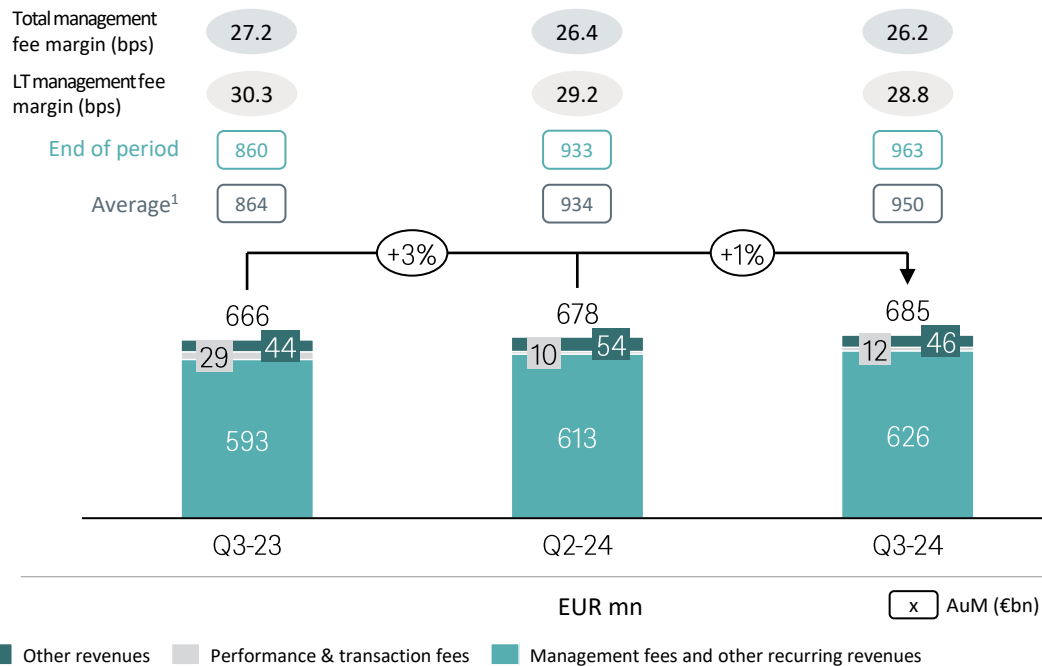
Revenue development

Management fee development driven by higher average AuM

Q3 Highlights

- Total adjusted revenues at €685mn, being up €7mn q-o-q
- Second highest Management fee contribution since IPO supported by 2% q-o-q rise in average AuM
- Other revenues decreased q-o-q partly due to lower NII contribution after dividend payment and rate cut impact
- Harvest contribution amounted €15mn, up 11% q-o-q

Adjusted revenues



¹ Monthly average

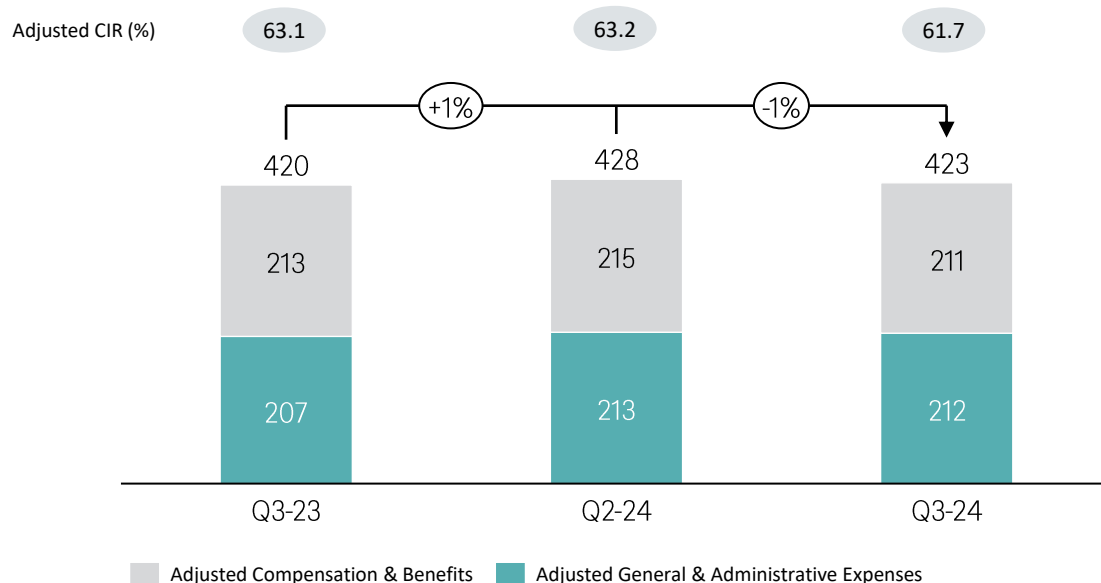
Cost development

Specifying FY 2024 adjusted CIR outlook to lower end of guided range between 62-64%

Q3 Highlights

- Total adjusted costs of €423mn decreased by 5mn q-o-q thanks to strict cost discipline
- Compensation costs down by 2% q-o-q, benefitting from location strategy
- Adjusted G&A cost remained broadly stable q-o-q, despite ongoing growth investments
- Reported costs base at €440mn, down by 4% q-o-q

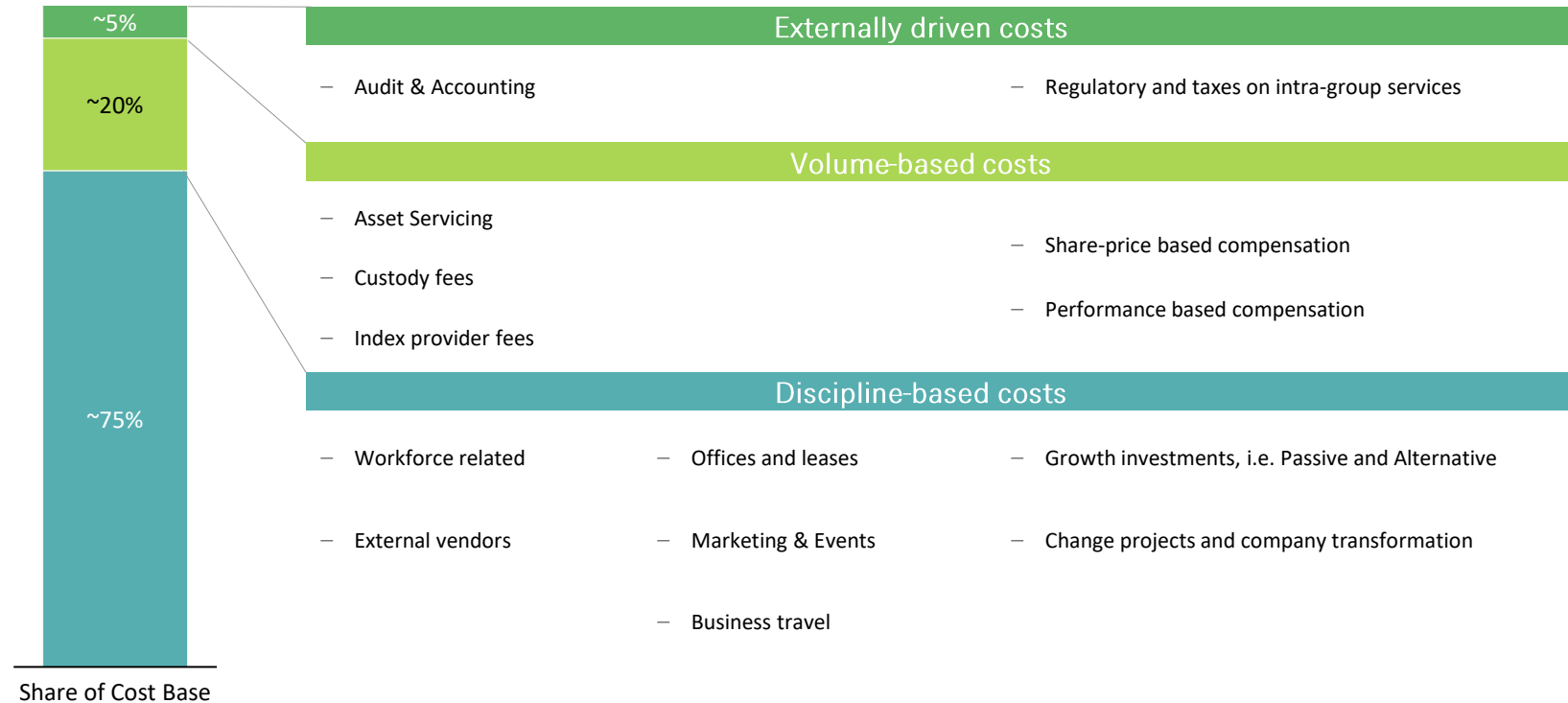
Adjusted costs¹



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

Deep-dive: Cost management

Majority of our cost base are discipline-based costs



Deep-dive: Cost management

Proactive steering of discipline-based costs

Discipline-based costs

Human capital management

- Reallocate resources from sub-scale business into growth areas
- Protect intellectual property by insourcing external workforce
- Cost efficient location management
- Build up strong talent pipeline by running a global graduate program
- Juniorization and optimize organisational structure by reducing management layers
- Limit hires in hubs by investing into workforce development

Non-compensation items

- Reduce external vendor spend via internalization
- Limit consulting spend to the bare minimum
- Centralized legal spend
- Centralized marketing to maximise sales success
- Stay disciplined on non-client business travel
- Constant review and optimization of office footprint

Change and growth projects

- Transformation focus on differentiating functions
- Strict budget allocation based on milestone achievements
- Focus investments into limited number of value-adding growth projects
- Regulatory projects
- Reduction of severance, restructuring and litigation

Deep-dive: Cost management

Impact on cost components

Cost steering measures	Adjusted Compensation & Benefits	Adjusted General & Administrative	Cost adjustments
Efficient location management	Limited hires in hubs	Neutral	Neutral
Internalization	Higher fix remuneration	Reduce external vendor spend	Neutral
Juniorization	Reduce fix pay per employee	Neutral	Neutral
Completed IT transformation	Neutral	Neutral	Lower transformation costs
Strengthen governance & controls	Recruit in control functions	Neutral	Reduce litigation
Investments into growth	Invest into people	Volume based costs	Neutral
	Reallocate workforce costs	Saves offset by volume-based costs	Strongly reduce cost adjustments

Path to Financial Targets 2025

	Reported 2023	Targets 2025	Upside Potential
Adjusted CIR	64.0%	Below 59%	Improved adj. CIR guidance for 2024
Earnings per share	€2.76	€4.50	Higher EPS in 2024 vs 2023 expected
Profit before Tax	€777mn		+€450 – €500mn PbT increased 14% in 9M 2024 vs 9M 2023
<i>thereof cost adjustments</i>	€172mn		– ~€125mn Reiterate guidance of lower cost adjustments
<i>thereof performance and transaction fees</i>	€128mn		+ ~€100mn Realization of perf. fees from PEIF II ongoing
<i>thereof management fees and other recurring revenues</i>	€2,315mn		+ ~€250mn Mgmt. fee increase of 5% in 9M 2024 vs 9M 2023 on track to reach 2025 guidance

Note: Targets 2025 assuming stable market conditions

The background features a series of thin, parallel diagonal lines sloping upwards from left to right. A solid light grey shape is positioned in the lower right quadrant, partially overlapping the lines.

Appendix

DWS financial performance



In €mn, unless stated otherwise		Q3 2024	Q2 2024	Q3 2023	9M 2024	9M 2023	Q3 2024 vs Q2 2024	Q3 2024 vs Q3 2023	9M 2024 vs 9M 2023
		Profit & Loss	Management fees and other recurring revenues	626	613	593	1,831	1,743	2%
Performance and transaction fees	12		10	29	40	87	21%	(58)%	(54)%
Other revenues	46		72	44	162	127	(35)%	7%	27%
Net revenues	685		695	666	2,033	1,958	(1)%	3%	4%
Revenue adjustments	0		18	0	18	14	N/M	N/M	25%
Adjusted revenues	685		678	666	2,016	1,943	1%	3%	4%
Adjusted Compensation & Benefits	211		215	213	649	632	(2)%	(1)%	3%
Adjusted General & administrative expenses	212		213	207	625	601	(1)%	2%	4%
Adjusted cost base	423		428	420	1,274	1,232	(1)%	1%	3%
Severance & Restructuring	4		5	5	12	21	(26)%	(36)%	(44)%
Litigation	(0)		0	2	1	22	N/M	(104)%	(96)%
Transformational charges	14		24	26	55	68	(44)%	(46)%	(19)%
Other material non-recurring expenses	0		0	1	0	5	N/M	(100)%	(100)%
Total noninterest expenses	440		458	454	1,342	1,348	(4)%	(3)%	(0)%
Profit before tax	245		238	211	692	609	3%	16%	14%
Adjusted profit before tax	262	249	246	742	711	5%	7%	4%	
Net income	168	163	147	478	430	3%	14%	11%	
Net income attributable to DWS Group shareholders	166	162	147	474	429	2%	13%	10%	
Other Key Performance Measures	Reported CIR	64.3%	65.8%	68.2%	66.0%	68.9%	(1.6) ppt	(4.0) ppt	(2.9) ppt
	Adjusted CIR	61.7%	63.2%	63.1%	63.2%	63.4%	(1.5) ppt	(1.4) ppt	(0.2) ppt
	FTE (#)	4,536	4,409	4,330	4,536	4,330	3%	5%	5%
	AuM (in €bn)	963	933	860	963	860	3%	12%	12%
	Long term AuM (in €bn)	860	830	754	860	754	4%	14%	14%
	Total Net flows (in €bn)	18.3	(18.7)	2.3	7.3	17.3			
	Long term net flows (in €bn)	16.7	(6.0)	2.1	18.6	15.4			
	Management fee margin (bps - annualized)	26.2	26.4	27.2	26.2	27.4			
	Long term management fee margin (bps - annualized)	28.8	29.2	30.3	29.0	30.6			
	Earnings per share (in €)	0.83	0.81	0.73	2.37	2.15	2%	13%	10%

Historical net flows and AuM development



	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024
Net flows by asset class (after separation of Advisory Services)									
Active Equity	0.4	0.3	(0.7)	(1.5)	(0.5)	(2.3)	(1.8)	(0.9)	(1.6)
Active Multi Asset	5.9	0.3	(0.1)	(0.9)	(1.1)	(1.7)	(0.5)	(0.5)	(1.0)
Active SQI ¹	(0.3)	(0.8)	0.4	(0.6)	(0.5)	(1.5)	1.5	0.4	(0.0)
Active Fixed Income	(12.0)	0.6	0.0	0.2	(0.2)	0.6	1.7	(12.1)	10.3
Passive	(6.3)	4.4	6.2	6.2	4.4	21.2	9.3	8.5	9.5
Alternatives	0.6	(1.4)	3.9	(1.3)	(1.0)	0.2	(2.2)	(1.4)	(0.5)
Total Long-term	(11.7)	3.5	9.8	2.1	1.0	16.5	7.9	(6.0)	16.7
Cash	(6.0)	(3.1)	(1.1)	0.6	9.3	5.7	(1.5)	(1.8)	1.2
Advisory Services	(2.2)	5.3	0.6	(0.5)	0.8	6.2	1.4	(10.8)	0.4
DWS Group	(19.9)	5.7	9.3	2.3	11.0	28.3	7.8	(18.7)	18.3

Net flows by region

Americas	(13.1)	(3.8)	6.6	2.7	5.5	11.0	(0.9)	(14.4)	4.1
EMEA excl. Germany	(9.6)	1.1	(3.9)	(1.0)	4.5	0.7	1.3	1.8	8.5
Germany	6.1	8.9	5.0	(0.4)	0.8	14.3	6.7	(7.5)	3.7
Asia Pacific	(3.4)	(0.5)	1.7	1.0	0.1	2.3	0.7	1.3	2.0
DWS Group	(19.9)	5.7	9.3	2.3	11.0	28.3	7.8	(18.7)	18.3

Net flows by client channel

Retail	0.0	3.1	1.1	4.6	2.5	11.3	9.8	6.7	8.0
Institutional	(19.9)	2.6	8.2	(2.3)	8.6	17.0	(2.0)	(25.4)	10.2
DWS Group	(19.9)	5.7	9.3	2.3	11.0	28.3	7.8	(18.7)	18.3

	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024
Change in AuM by driver									
Total net flows	(19.9)	5.7	9.3	2.3	11.0	28.3	7.8	(18.7)	18.3
FX	21.9	(6.6)	(1.9)	10.6	(14.4)	(12.2)	7.2	2.4	(14.2)
Markets	(108.2)	18.8	11.2	(12.6)	40.1	57.5	29.6	8.5	26.3
Other	0.1	1.2	0.1	(0.0)	(0.2)	1.1	0.5	(0.3)	(0.6)
Total change in AuM	(106.1)	19.1	18.7	0.3	36.5	74.6	45.2	(8.1)	29.7

	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024
AuM (after separation of Advisory Services)									
Active Equity	95	99	102	99	103	103	109	111	110
Active Multi Asset	54	56	56	56	56	56	58	58	54
Active SQI ¹	64	64	66	63	66	66	70	71	75
Active Fixed Income	192	194	194	195	202	202	205	194	207
Passive	199	212	224	229	246	246	275	290	307
Alternatives	116	112	114	112	109	109	109	107	106
Total Long-term	719	737	756	754	783	783	827	830	860
Cash	80	77	76	78	85	85	85	84	84
Advisory Services	22	27	28	27	28	28	29	18	19
DWS Group	821	841	859	860	896	896	941	933	963

AuM by region

Americas	209	204	209	214	218	218	225	212	214
EMEA excl. Germany	204	210	210	209	222	222	235	239	252
Germany	368	385	398	393	411	411	435	434	445
Asia Pacific	41	41	42	43	45	45	47	48	52
DWS Group	821	841	859	860	896	896	941	933	963

AuM by client channel

Retail	367	381	388	390	407	407	441	457	470
Institutional	454	460	471	470	489	489	500	476	493
DWS Group	821	841	859	860	896	896	941	933	963

¹ Systematic and Quantitative Investments

Q3 2024 detailed investment outperformance

Investment performance, in %¹

		1Y	3Y	5Y
Active Retail	Equity	6%	15%	56%
	Multi Asset ²	27%	20%	20%
	SQI ²	25%	39%	48%
	Fixed Income	69%	90%	98%
	Cash ²	100%	100%	100%
	Total		28%	38%
Active Institutional	Equity ²	34%	36%	54%
	Multi Asset	51%	39%	42%
	SQI	66%	68%	73%
	Fixed Income	70%	87%	87%
	Cash ²	89%	61%	94%
	Total		68%	77%
Active Total	Equity	9%	17%	56%
	Multi Asset	49%	37%	40%
	SQI	56%	60%	67%
	Fixed Income	70%	88%	89%
	Cash	94%	82%	97%
	Total		53%	62%
Alternatives	Direct Real Estate	91%	92%	92%
	Liquid Real Assets	84%	84%	98%
	Other Alternatives ²	53%	53%	53%
	Total		84%	85%
Total DWS		58%	65%	77%

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 September 30, 2024, Direct Real Estate and Other Alternatives as of June 30, 2024)

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

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Cautionary statement (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 any of them publicly 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.

This presentation contains alternative performance measures (APMs). For a description of these APMs, please refer to the Half Year Report 2024, which is available at: <https://group.dws.com/ir/reports-and-events/financial-results/>

Cautionary statement (2/2)



To measure outperformance, each fund or mandate of DWS 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 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.