



DWS GROUP – Q3 2021 RESULTS

October 27, 2021

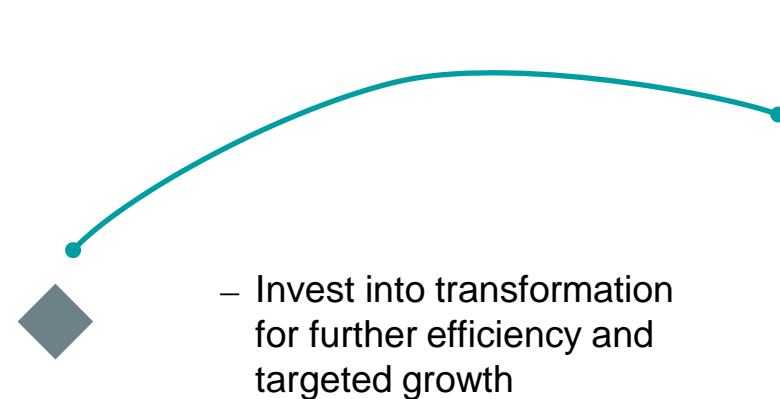


CONTINUED STRONG BUSINESS MOMENTUM



Record results in Q3, underpinning strong client engagement

RECAP: PHASE TWO



- Invest into transformation for further efficiency and targeted growth

FY 2020

- **Differentiated leadership: ESG, Passive, high margin strategies**
- **Take active role in M&A activities**

TRANSFORM, GROW AND LEAD

KEY ACHIEVEMENTS Q3 2021

Financials

- Net inflows of €12bn overall (positive Active, Passive & Alternatives); September net flows of €5bn reflecting strong ongoing client engagement
- Adj. CIR improved to record low of 59.2%
- Adj. PbT of €271m at record high level reflecting higher revenues driven by record AuM

Differentiated leadership

- **ESG:** €5bn net flows into ESG products¹, became one of the signatories to the "UK Stewardship Code 2020"²
- **Passive:** strong net flows of €7bn, #2 in European ETP³ flows & AuM
- **High margin strategies:** attracted net flows, with continued flows into flagship fund DWS Concept Kaldemorgen
- **M&A activities:** partnership with BlackFin Capital Partners, acquisition of minority stake in UK-based retiretech provider Smart Pension

1 See Cautionary Statement for ESG classification explanation 2 Issued by DWS Investments UK Limited (DWS UK) 3 Source: ETFGI

Q3 2021 KEY FINANCIAL HIGHLIGHTS



Strong revenue generation supports profit growth

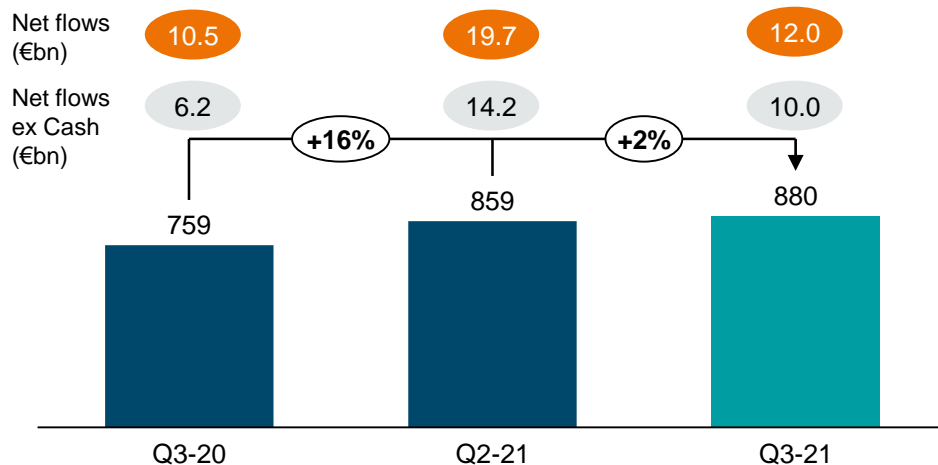
- Strong quarter with record adjusted profit before tax of €271m driven by record AuM
- Adjusted cost income ratio decreased further to 59.2% in Q3
- Net flows of €12bn and €10bn ex Cash in Q3 in line with our medium-term target, including €5bn net flows into ESG products

FINANCIAL PERFORMANCE SNAPSHOT – Q3 2021

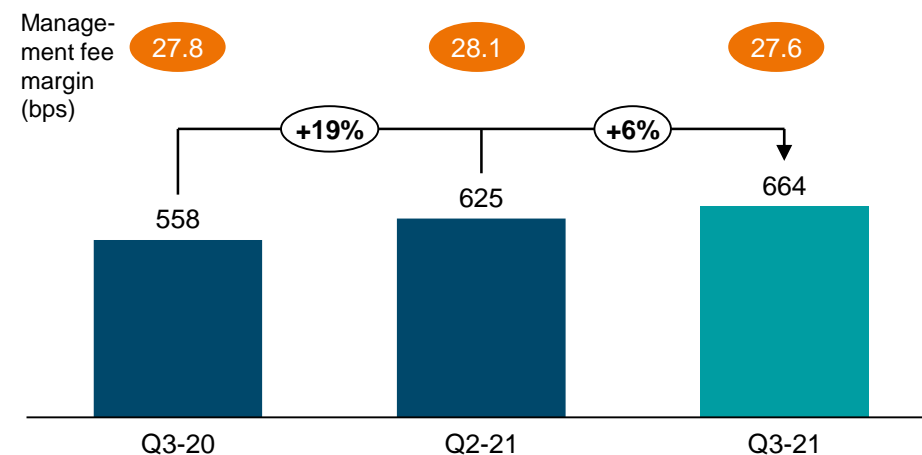


Strong business momentum continues

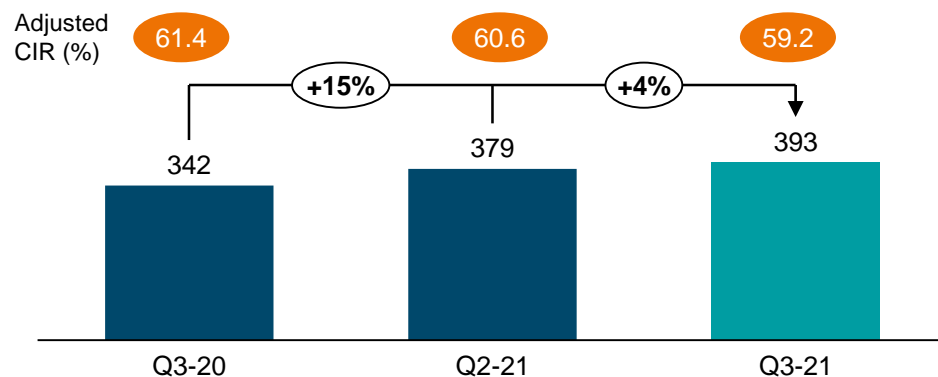
AUM (€BN)



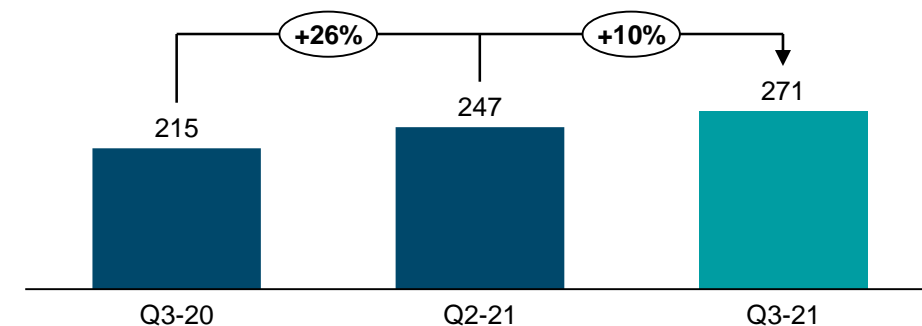
ADJUSTED REVENUES (€M)



ADJUSTED COSTS (€M)



ADJUSTED PROFIT BEFORE TAX (€M)



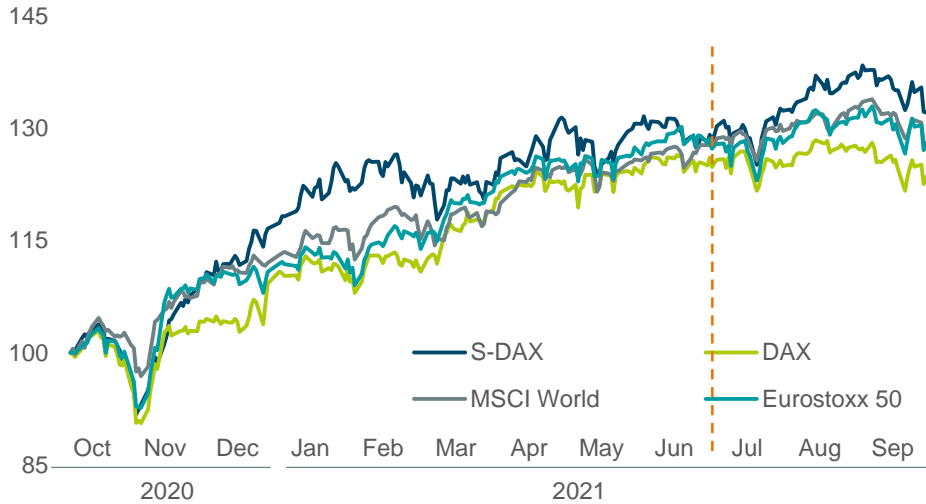
Note: Throughout this presentation totals may not sum due to rounding differences

MARKET ENVIRONMENT



Favourable €/€ exchange rate development supports AuM growth in Q3

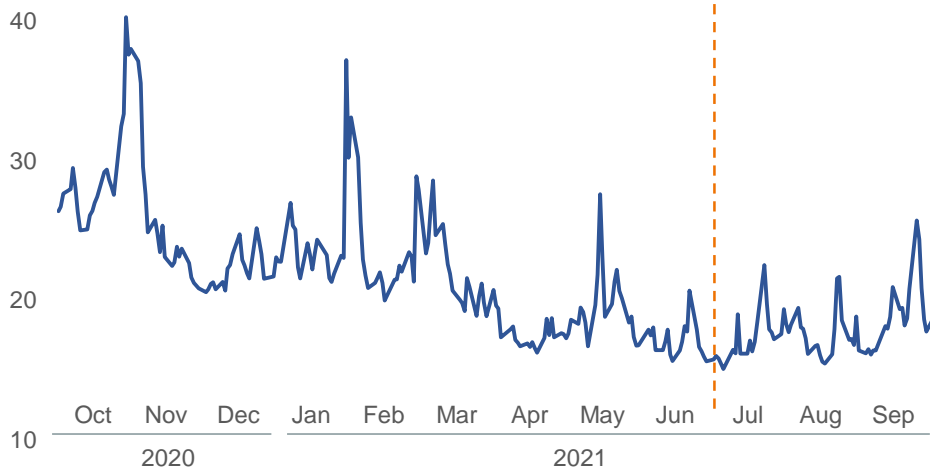
EQUITIES (%)



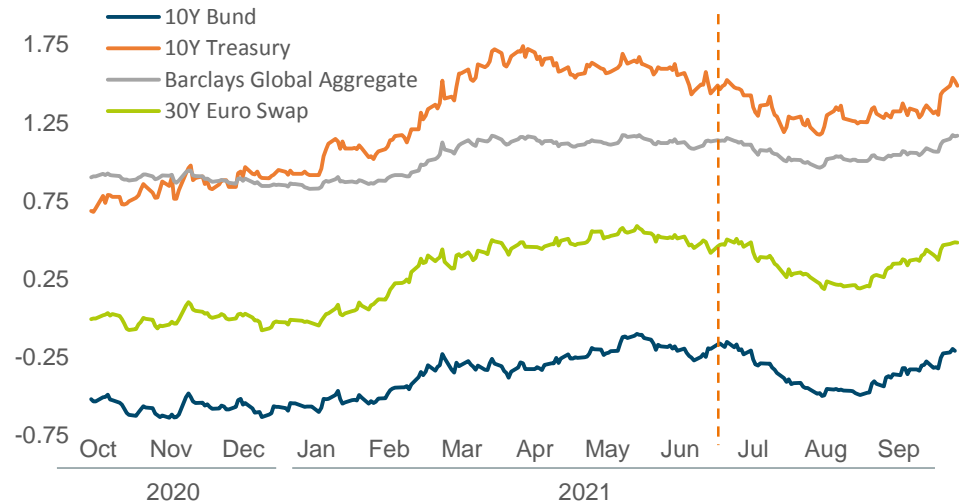
FX (€/€)



VOLATILITY (VIX INDEX)



INTEREST RATES, YIELD (%)



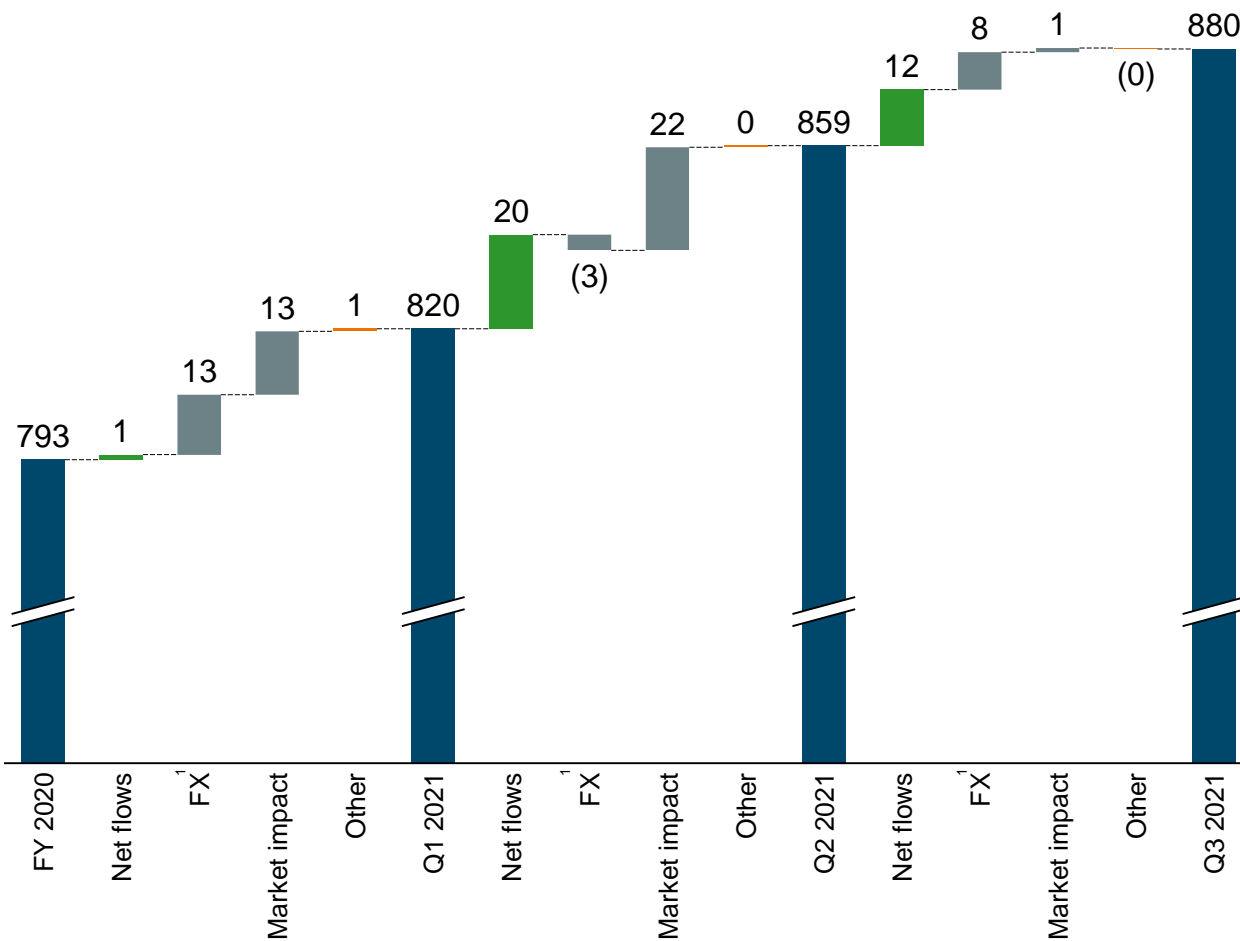
Source: Bloomberg

AUM DEVELOPMENT



DWS' AuM level continues to increase reaching record level

AUM DEVELOPMENT DETAIL (€BN)



Q3 HIGHLIGHTS

AuM increased by €21bn to €880bn in Q3

- Main drivers have been net flows and favourable €/€ exchange rate development

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

Q3 2021 NET FLOWS

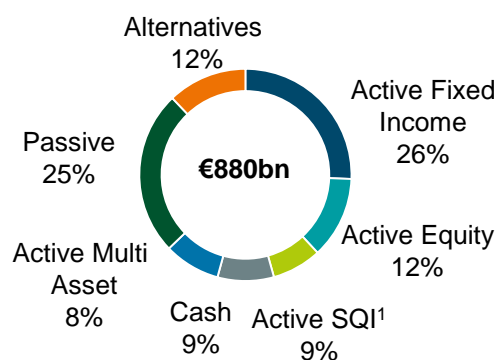


Strong net flows driven by targeted asset classes and ESG

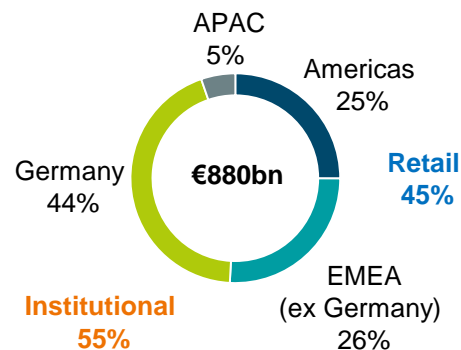
NET FLOWS BREAKDOWN

By asset class (€bn)	Q3-20	Q2-21	Q3-21
Active Equity	(1.1)	(0.3)	(0.6)
Active Multi Asset	(1.2)	2.0	1.1
Active SQI ¹	(1.0)	1.1	0.7
Active Fixed Income	2.5	1.7	0.8
Passive	6.3	7.9	6.6
Alternatives	0.8	1.8	1.4
Total ex Cash	6.2	14.2	10.0
Cash	4.3	5.4	1.9
Total	10.5	19.7	12.0

AUM BY ASSET CLASS



AUM BY REGION & CLIENT TYPE



Q3 HIGHLIGHTS

- Net flows of €12bn in Q3 including €5bn of net flows into ESG products
- 66% of net flows came from retail distribution channels
- September with €5bn net flows reflecting strong client engagement
- Passive continued strong inflows into ETFs as well as institutional mandates
- Alternatives primarily driven by inflows into US and German Liquid Real Asset funds
- Multi Asset with continued inflows into Concept Kaldemorgen as well as strong institutional demand
- Equity outflows affected by uncertainties around economic outlook as well as flagship fund performance, but strong flows into ESG products

¹ Systematic and Quantitative Investments

POSITIVE CONTRIBUTION OF NEW FUND LAUNCHES



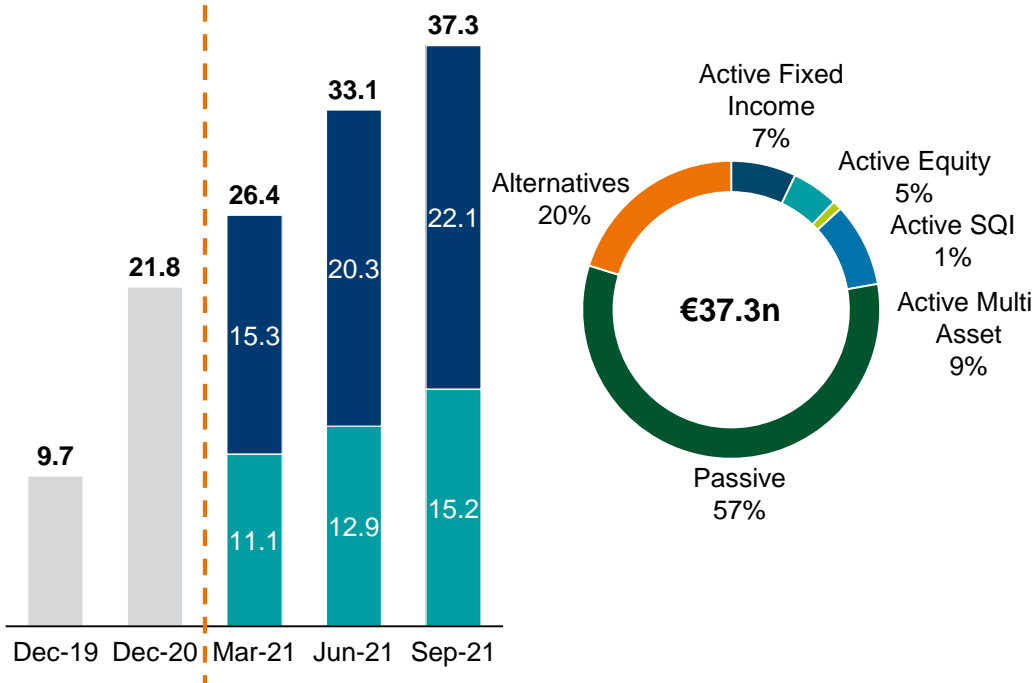
New funds attract strong net flows in Passive, Alternatives & ESG products

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

Overall management fee margin of new funds (bps)

~40

Cumulative flows by asset class
as of Q3 2021



■ Total cumulative net flows ■ Non-ESG products ■ ESG products¹

Q4 2021 FUND LAUNCHES PIPELINE²

EXAMPLES

- DWS Invest ESG NextGen Consumer **Equity**
- Xtrackers ESG Global Government Bond UCITS ETF **Passive**

COMMENTARY

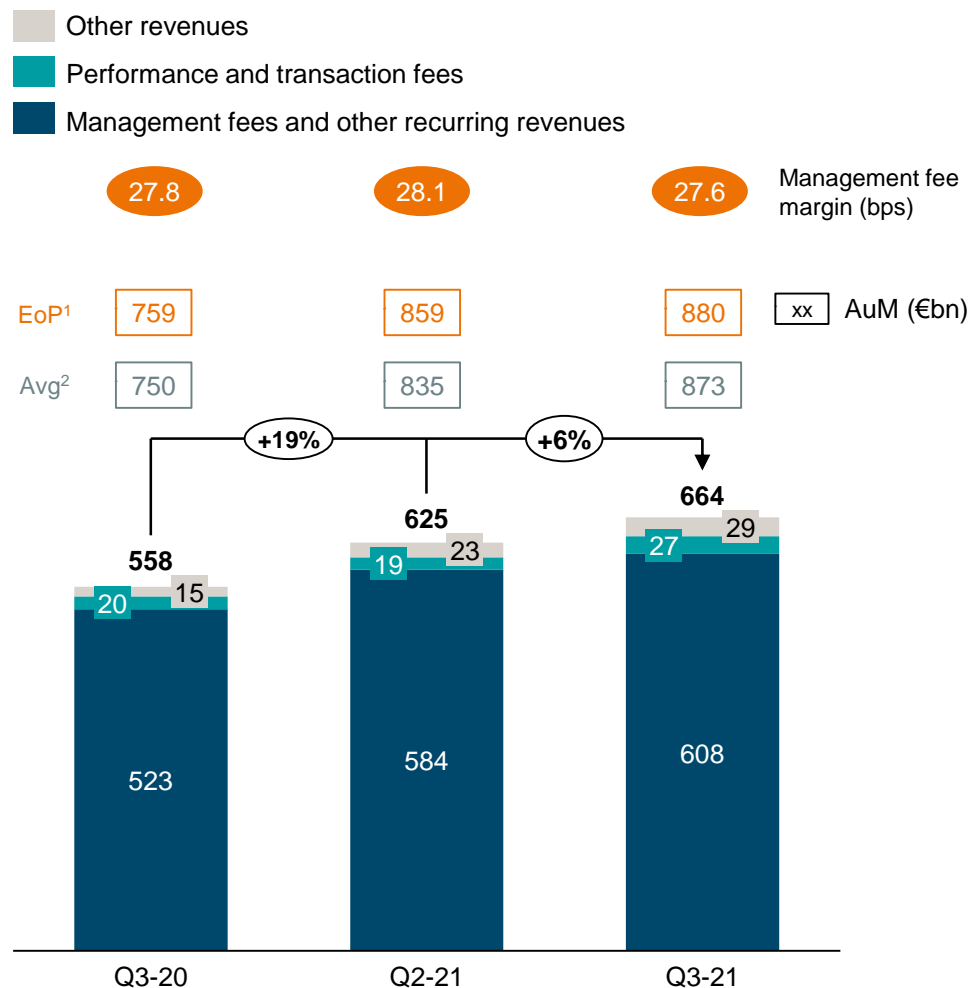
- Focus on SFDR fund conversion
- Strong fund launch pipeline for 2022

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 classification explanation 2 Subject to demand assessments, approvals and successful transaction execution

REVENUE DEVELOPMENT

Management fees continue to increase reaching highest level since IPO

ADJUSTED REVENUES (€M)



Q3 HIGHLIGHTS

- Total adjusted revenues increased 6% q-o-q to €664m
- Management fees and other recurring revenues increased 4% q-o-q primarily due to favorable markets as well as positive net flows
- Performance and transaction fees increased 45% q-o-q due to higher transaction fees
- Other revenues supported by strong Harvest contribution and investment income

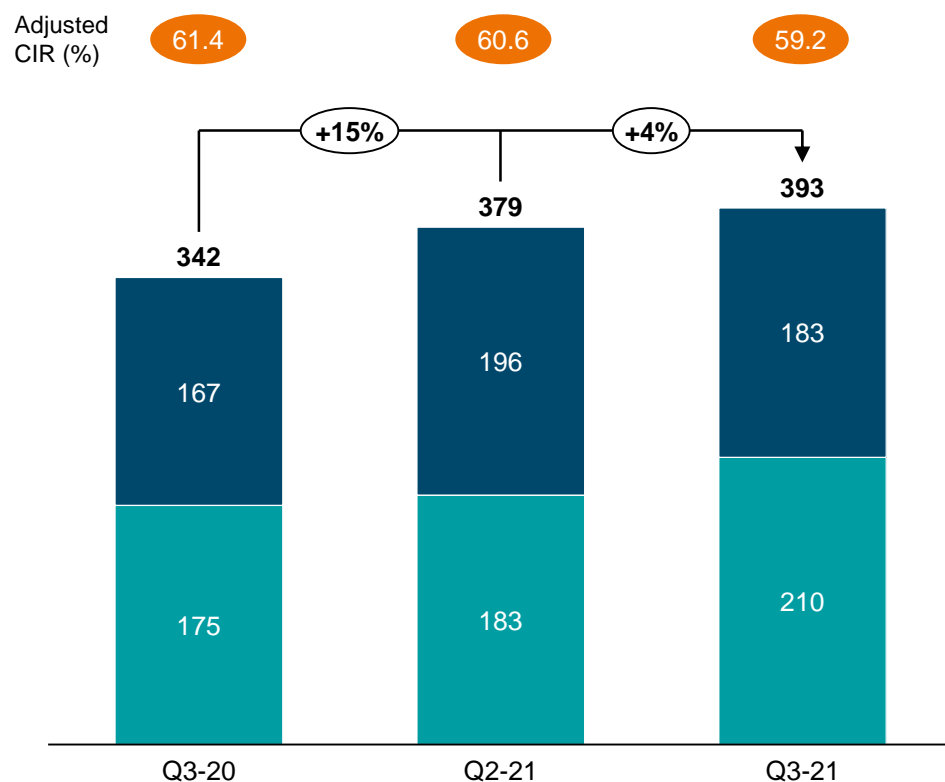
1 End of period 2 Monthly average

COST DEVELOPMENT

Adjusted cost base includes investments into growth & one-off cost items

ADJUSTED COSTS (€M)¹

- Adjusted Compensation & Benefits
- Adjusted General & Administrative Expenses



Q3 HIGHLIGHTS

- Total adjusted costs of €393m, up 4% q-o-q
- Adjusted compensation & benefits decreased by 7% due to lower variable compensation
- Adjusted general & administrative expenses increased due to investments into growth, non-recurring items as well as higher marketing & travel expenses
- Adjusted cost base excludes €9m of investments into our infrastructure platform transformation

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

CONCLUSION & FINANCIAL OUTLOOK 2022



Strong performance, supportive markets and transformation progress accelerates YTD momentum

CONCLUSION

Strong performance

- Strong net flows into targeted growth areas with increased demand for ESG products
- Adjusted CIR improved further
- Strong 3 and 5 year investment outperformance at 77% and 82% respectively

Strategic priorities

- Further investments into growth and transformation projects

FINANCIAL OUTLOOK 2022

- We expect the adjusted CIR to be in the low 60s% next year
- Net flow target of >4% on average in the medium-term reiterated
- Management fully committed to deliver on all aspirations for Phase two

OUTLOOK



Defined focus topics to expedite our transformation and achieve our ambition

CONTINUE TO DELIVER...

ONGOING PROFITABILITY

- Ensure transformational progress and operational strength, highlighted by high AuM and net flow levels

ADJUSTED COST-INCOME-RATIO

- Follow clear path to sustainable adjusted CIR of 60% in 2024

KEEP ESG COMMITMENT

- Continue to attract and meet demand for existing and new ESG products

...WHILE CONCENTRATING ON DEFINED FOCUS TOPICS

- Continued execution of stand-alone AM with dedicated infrastructure platform

- Further delivery of ESG capabilities to clients, external commitments (e.g. NZAM¹) and embedding of ESG into corporate DNA

- Continued focus on organic growth in Passive

- Further growth in high margin areas, e.g. thematic active and illiquid strategies

- Expansion of partnerships to capture growth opportunities (esp. in APAC)

- Execution of global brand partnership to raise awareness and visibility, and underpin growth strategy in key global markets

¹ Net Zero Asset Managers initiative



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)

	Q3 2021	Q2 2021	Q3 2020	9M 2021	9M 2020	Q3 2021 vs Q2 2021	Q3 2021 vs Q3 2020	9M 2021 vs 9M 2020	
Profit & Loss	Management fees and other recurring revenues	608	584	523	1,740	1,584	4%	16%	10%
	Performance and transaction fees	27	19	20	85	57	45%	38%	50%
	Other revenues	29	23	15	97	(9)	26%	94%	N/M
	Net revenues	664	625	558	1,923	1,632	6%	19%	18%
	<i>Revenue adjustments</i>	-	-	-	-	-			
	Adjusted revenues	664	625	558	1,923	1,632	6%	19%	18%
	Adjusted Compensation & Benefits	183	196	167	585	521	(7)%	9%	12%
	Adjusted General & administrative expenses	210	183	175	572	528	15%	20%	8%
	Adjusted cost base (excl. transformation charges)	393	379	342	1,157	1,049	4%	15%	10%
	<i>Severance & Restructuring</i>	4	1	3	10	27	580%	18%	(64)%
	<i>Transformation charges</i>	9	7	(0)	21	(0)	32%	N/M	N/M
	<i>Other cost adjustments</i>	0	1	(1)	1	(0)	N/M	N/M	N/M
	Total noninterest expenses	405	387	345	1,189	1,076	5%	17%	10%
	Profit before tax	259	239	213	734	556	8%	22%	32%
Adjusted profit before tax (excl. transformation charges)	271	247	215	766	583	10%	26%	31%	
Net income	182	172	151	522	394	6%	20%	32%	
Other Key Performance Measures	Reported CIR	61.1%	61.9%	61.9%	61.8%	65.9%	(0.8)ppt	(0.8)ppt	(4.1)ppt
	Adjusted CIR (excl. transformation charges)	59.2%	60.6%	61.4%	60.1%	64.3%	(1.4)ppt	(2.2)ppt	(4.1)ppt
	FTE (#)	3,394	3,342	3,290	3,394	3,290	2%	3%	3%
	AuM (in €bn)	880	859	759	880	759	2%	16%	16%
	Net flows (in €bn)	12.0	19.7	10.5	32.6	16.7			
	Net flows (% of BoP AuM – annualized)	5.5%	9.6%	5.6%	5.5%	2.9%			
	Management fee margin (bps - annualized)	27.6	28.1	27.8	27.9	28.3			

RECONCILIATION FROM IFRS TO ECONOMIC VIEW



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

	IFRS consolidated	Consolidated Funds	DB Vita	Held for Sale	Economic View
Assets					
Cash and bank balances	2,163				2,163
Financial assets at FVPL	3,452	1 1,284	2 557		1,611
Financial assets at OCI	167				167
Other investments	353				353
Property and equipment	144				144
Tax assets	162				162
Intangible assets	3,603				3,603
Other assets	1,225			3 559	666
Total assets	11,268	1,284	557	559	8,868
Liabilities					
Other short-term borrowings	76				76
Tax liabilities	280				280
Financial liabilities at FVPL	747		2 557		189
Other liabilities	3,065	1 1,284		3 559	1,222
Total liabilities	4,167	1,284	557	559	1,767
Equity	7,101				7,101
Total liabilities and equities	11,268	1,284	557	559	8,868

HIGHLIGHTS

€2.4bn adjustments comprise:

- 1 Consolidated Funds (€1.3bn)
 - DWS reports individual assets and liabilities of mainly guaranteed funds that it controls under IFRS 10
 - 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 Held for sale (€0.6bn)
 - Assets and liabilities related to the transfer of our digital investment platform into a joint venture as long-term strategic partnership with DWS maintaining a stake of 30 percent only
 - The transaction is still subject to the approval of the relevant authorities and closing of the transaction is expected for the second half of 2022

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	Q3 2021
Active Equity	(1.6)	1.7	1.0	(1.1)	0.2	1.8	0.1	(0.3)	(0.6)
Active Multi Asset	7.2	(0.7)	(0.6)	(1.2)	0.8	(1.8)	(0.5)	2.0	1.1
Active SQI ¹	1.5	(1.5)	(0.2)	(1.0)	(0.4)	(3.1)	0.6	1.1	0.7
Active Fixed Income	(7.8)	(5.1)	(4.4)	2.5	0.1	(6.8)	1.0	1.7	0.8
Active Cash	(2.5)	3.6	6.3	4.3	5.3	19.5	(8.6)	5.4	1.9
Passive	19.1	(2.0)	6.5	6.3	5.9	16.6	7.4	7.9	6.6
Alternatives	10.2	1.5	0.0	0.8	1.7	4.0	1.0	1.8	1.4
DWS Group	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7	12.0

Net flows by region

Americas	3.5	1.8	(2.5)	8.0	1.6	8.8	(3.3)	5.5	4.5
EMEA excl. GY	6.5	(2.0)	9.5	(2.1)	6.7	12.1	(0.9)	4.1	3.7
Germany (GY)	13.6	(0.9)	0.9	3.0	4.5	7.5	3.9	9.9	4.3
Asia Pacific	2.4	(1.2)	0.7	1.6	0.8	1.9	1.3	0.2	(0.5)
DWS Group	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7	12.0

Net flows by client channel

Retail	5.1	(0.4)	5.0	2.1	4.7	11.4	5.1	11.2	7.9
Institutional	21.0	(2.1)	3.7	8.5	8.9	18.9	(4.1)	8.5	4.1
DWS Group	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7	12.0

Total net flows	26.1	(2.5)	8.7	10.5	13.6	30.3	1.0	19.7	12.0
FX impact	6.9	5.2	(6.9)	(12.6)	(11.7)	(26.1)	12.8	(3.3)	7.9
Performance	75.1	(66.0)	43.2	15.0	31.6	23.7	13.5	21.9	0.9
Other	(2.8)	(4.1)	(0.1)	1.5	(0.0)	(2.8)	0.6	0.4	(0.2)
Total change in AuM	105.2	(67.4)	44.8	14.3	33.4	25.1	27.9	38.8	20.6

AuM by asset class	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
Active Equity	96	79	91	91	97	97	105	110	110
Active Multi Asset	58	53	55	55	59	59	60	64	67
Active SQI ¹	71	63	66	67	69	69	71	74	75
Active Fixed Income	234	217	219	221	220	220	221	223	225
Active Cash	57	64	69	71	75	75	68	73	76
Passive	156	133	154	161	179	179	197	213	221
Alternatives	96	91	92	92	93	93	99	103	107
DWS Group	767	700	745	759	793	793	820	859	880

AuM by region

Americas	199	194	195	199	198	198	203	211	220
EMEA excl. GY	191	168	202	192	206	206	211	221	227
Germany (GY)	335	302	308	328	346	346	361	380	386
Asia Pacific	41	37	40	41	43	43	46	47	46
DWS Group	767	700	745	759	793	793	820	859	880

AuM by client channel

Retail	335	292	319	325	343	343	363	386	396
Institutional	433	408	426	434	449	449	457	473	484
DWS Group	767	700	745	759	793	793	820	859	880

Q3 2021 DETAILED INVESTMENT OUTPERFORMANCE



<i>All figures in %¹</i>		1Y	3Y	5Y
Active Retail	Equity	42%	77%	80%
	Multi Asset ²	21%	21%	21%
	SQI ²	24%	38%	35%
	Fixed Income	90%	96%	98%
	Cash ²	100%	100%	100%
	Total	56%	80%	83%
Active Institutional	Equity ²	60%	73%	74%
	Multi Asset	75%	64%	64%
	SQI	70%	78%	76%
	Fixed Income	70%	78%	86%
	Cash ²	89%	40%	100%
	Total	71%	75%	83%
Active Total	Equity	44%	76%	79%
	Multi Asset	71%	61%	60%
	SQI	61%	71%	71%
	Fixed Income	73%	81%	88%
	Cash	94%	67%	100%
	Total	66%	77%	83%
Alternatives	Direct Real Estate	36%	84%	86%
	Liquid Real Assets	98%	79%	79%
	Other Alternatives ²	100%	44%	44%
	Total	70%	75%	75%
Total DWS	66%	77%	82%	

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, 2021, Direct Real Estate and Other Alternatives as of Jun 30, 2021) 2 <10bn AuM with BM and hence ratios not representative

CONTACT DETAILS



INVESTOR RELATIONS

Oliver Flade

oliver.flade@dws.com

investor.relations@dws.com

Tel: +49(69)910-63072

Jana Zubatenko

jana.zubatenko@dws.com

investor.relations@dws.com

Tel: +49(69)910-33834

Maneli Farsi

maneli.farsi@dws.com

investor.relations@dws.com

Tel: +49(69)910-41049

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 Q3 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>