



Investors for a new now

DWS Group – Q1 2022 results

27 April 2022

Q1 2022: DWS celebrates another very strong quarter

Strong performance helps firm maneuver turbulent year so far



Recap: Phase two underway



- _ 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 in Q1 2022

Financials

Strong y-o-y results:

- _ Adjusted revenues of €689m considerably higher than Q1 2021
- _ Compelling adjusted CIR of 59.5%
- _ Second highest ever adjusted PbT of €279m

Differentiated leadership

- _ **ESG:** Despite adverse environment clients continuously demanded ESG products, leading to net inflows of €1.1bn
- _ **High margin strategies:** Strong ex Cash net flows driven primarily by Active & Alternative products; offset by cash outflows during market correction
- _ **Brand positioning:** Introduction of “investors for a new now” claim and DWS’ core values¹ alongside a refined visual appearance with refreshed digital channels

¹ “Client Commitment”, “Entrepreneurial Spirit”, “Sustainable Action”

Q1 2022 key financial highlights

Resilient results supported by diversified business model

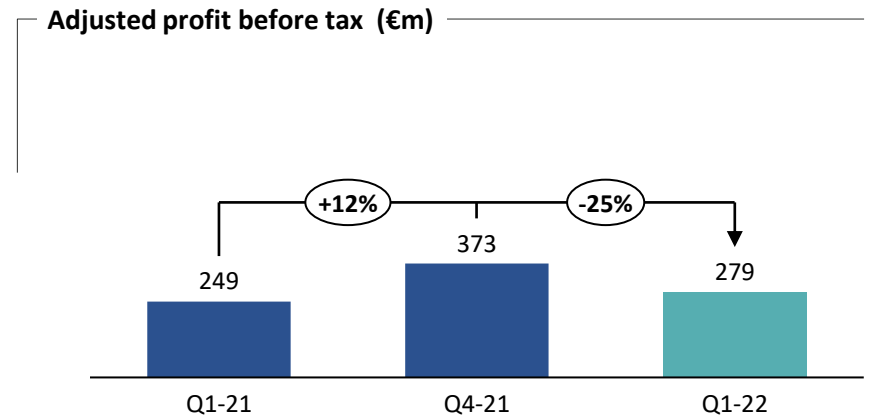
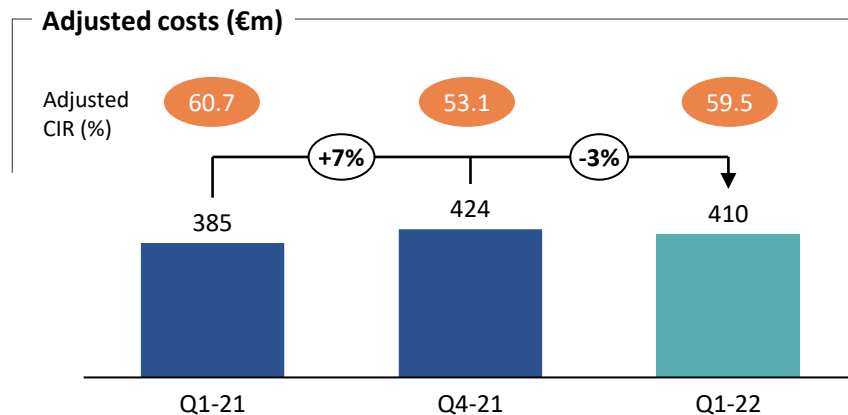
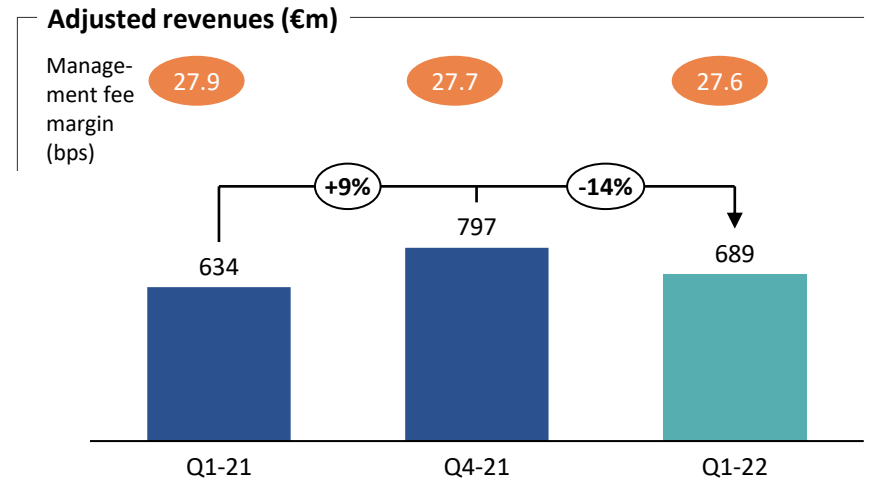
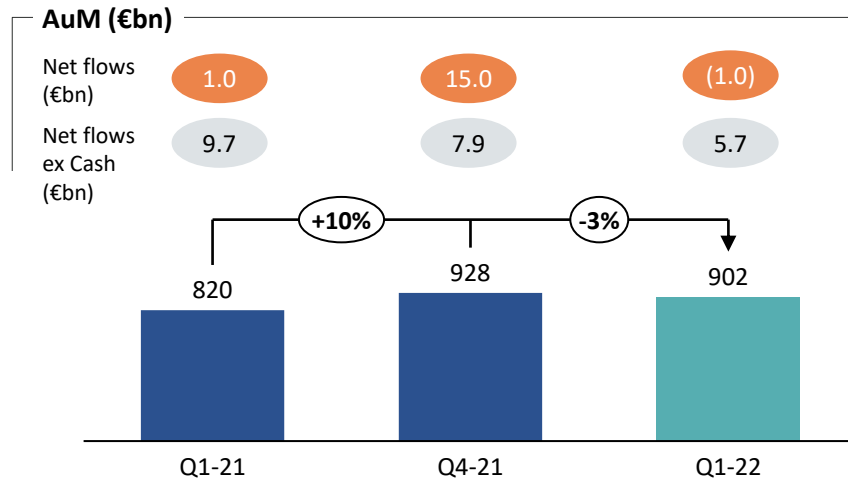


- Adjusted profit before tax reached €279m despite the market downturn, as a result of continued cost discipline
- Adjusted cost income ratio at 59.5% in Q1
- Strong net flows ex Cash were supported by almost all asset classes and further demand for ESG¹ products resulting in strong net new revenues

¹ See Cautionary Statement for ESG product classification framework explanation on p. 18

Financial performance snapshot – Q1 2022

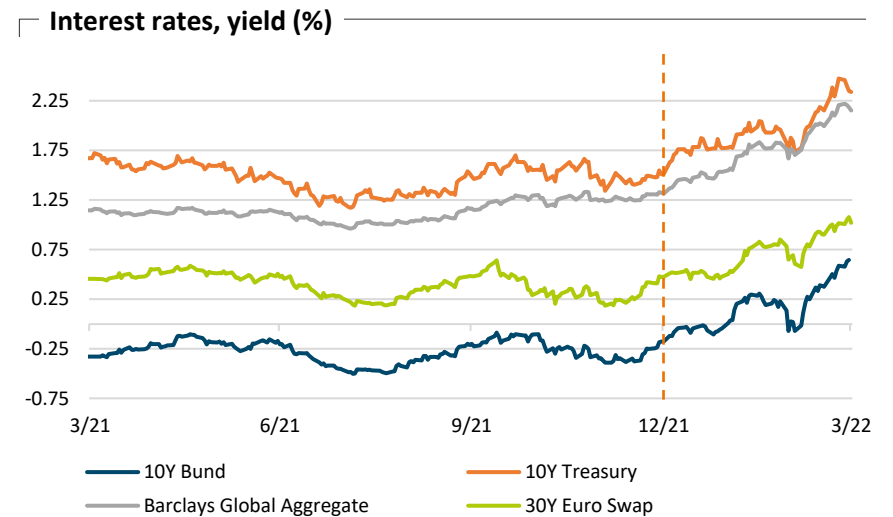
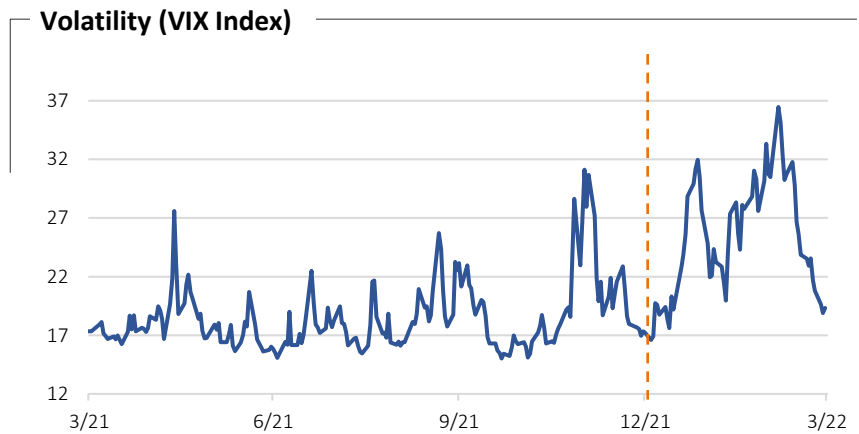
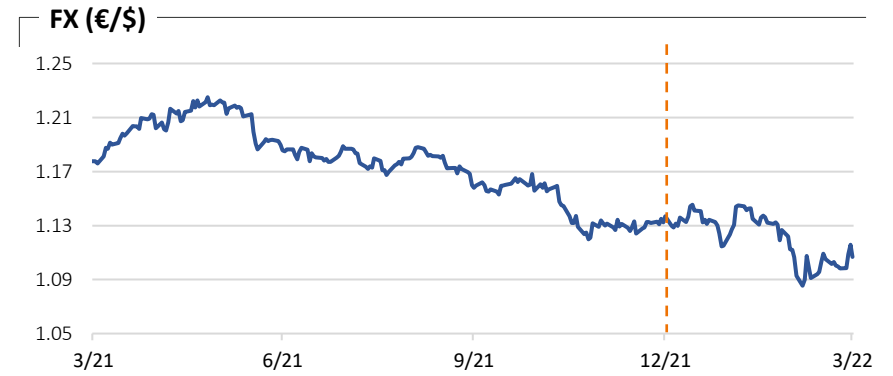
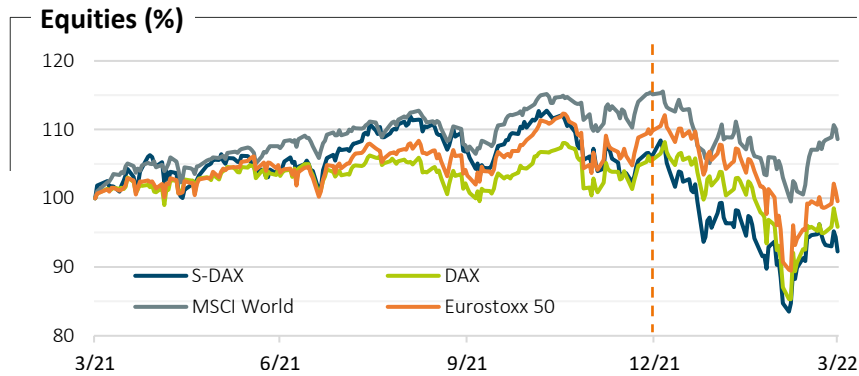
Continued good financial results in the first quarter



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

Market environment

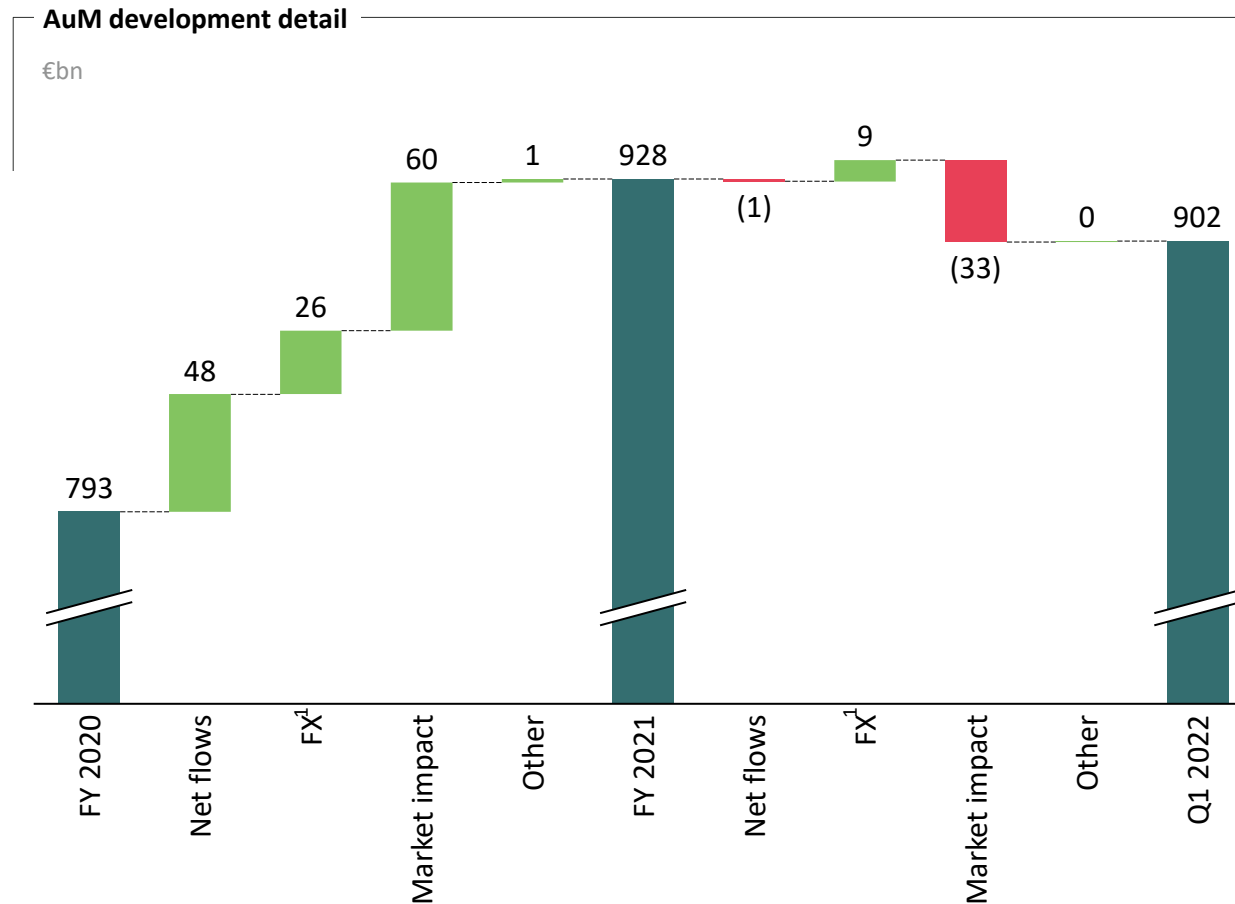
Challenging market environment in Q1



Source: Bloomberg

AuM development

Negative market impact leads to decline in AuM



Q1 Highlights

AuM decreased by €25bn to €902bn in Q1

- Negative market performance of €33bn was partly offset by favourable €/€ exchange rate developments
- Increase in interest rates and downturn in global equity markets primarily driving the market decline

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

Q1 2022 net flows



Our diversified business model helped to maneuver in the difficult environment

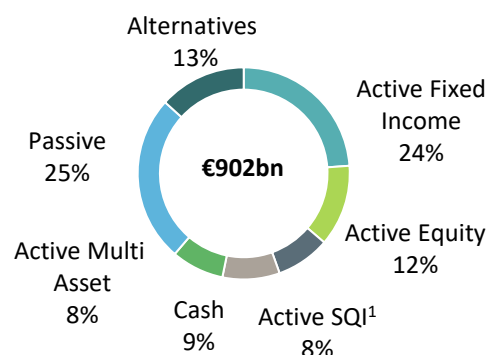
Net flows breakdown

By asset class (€bn)	Q1-21	Q4-21	Q1-22
Active Equity	0.1	0.1	0.3
Active Multi Asset	(0.5)	1.3	6.8
Active SQI ¹	0.6	(0.2)	(0.1)
Active Fixed Income	1.0	1.0	(2.7)
Passive	7.4	3.9	0.5
Alternatives	1.0	1.7	1.0
Total ex Cash	9.7	7.9	5.7
Cash	(8.6)	7.2	(6.8)
Total	1.0	15.0	(1.0)

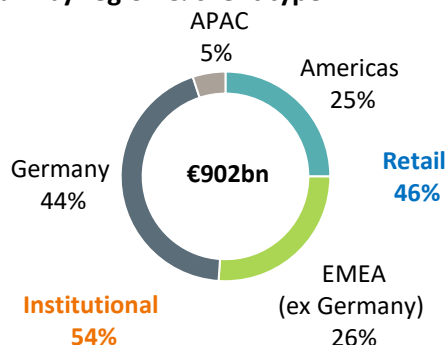
Q1 Highlights

- Net flows of €(1.0)bn in Q1 including €1.1bn of net flows into ESG products
- Multi Asset net inflows were strongly supported by institutional mandates and retail flagship strategies
- Strong Alternatives net flows into Liquid Real Assets and Real Estate products offset by the planned disposal of a specific €1.8bn Infrastructure asset
- Passive flows were challenged by defensive client behavior as a result of macro and market uncertainties
- Equity continues to grow with positive net flows into ESG products
- Fixed Income was impacted by two large US mandates and rising inflation expectations
- Outflows in Cash as a result of client repositioning due to rising inflation & interest rates

AuM by asset class



AuM by region & client type



¹ Systematic and Quantitative Investments

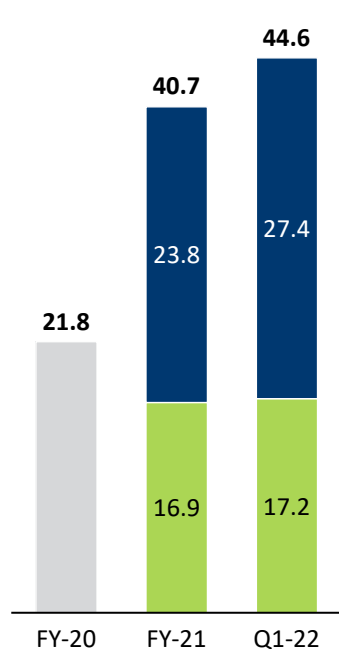
New fund launches and product pipeline

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

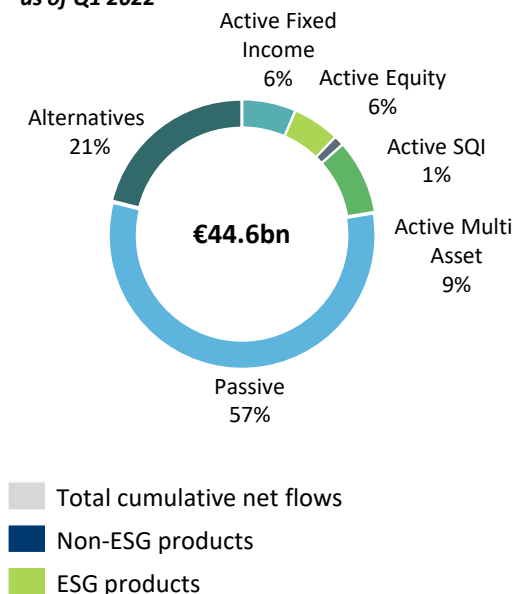
Cumulative flows of new funds since IPO onwards (€bn)

Overall management fee margin of new funds (bps)

~38



Cumulative flows by asset class as of Q1 2022



Q2 2022 Fund Launches Pipeline¹

EXAMPLES

- | | |
|---|---------------------|
| – ESG Global Mobility | Equity |
| <hr/> | |
| – Xtrackers ESG EUR High Yield Corporate Bond UCITS ETF | Passive |
| – Xtrackers MSCI Global SDG 3 Good Health UCITS ETF | Passive |
| <hr/> | |
| – Four Columns JCAG VI | Alternatives |
| – DWS Confirmed Payables Fund | Alternatives |

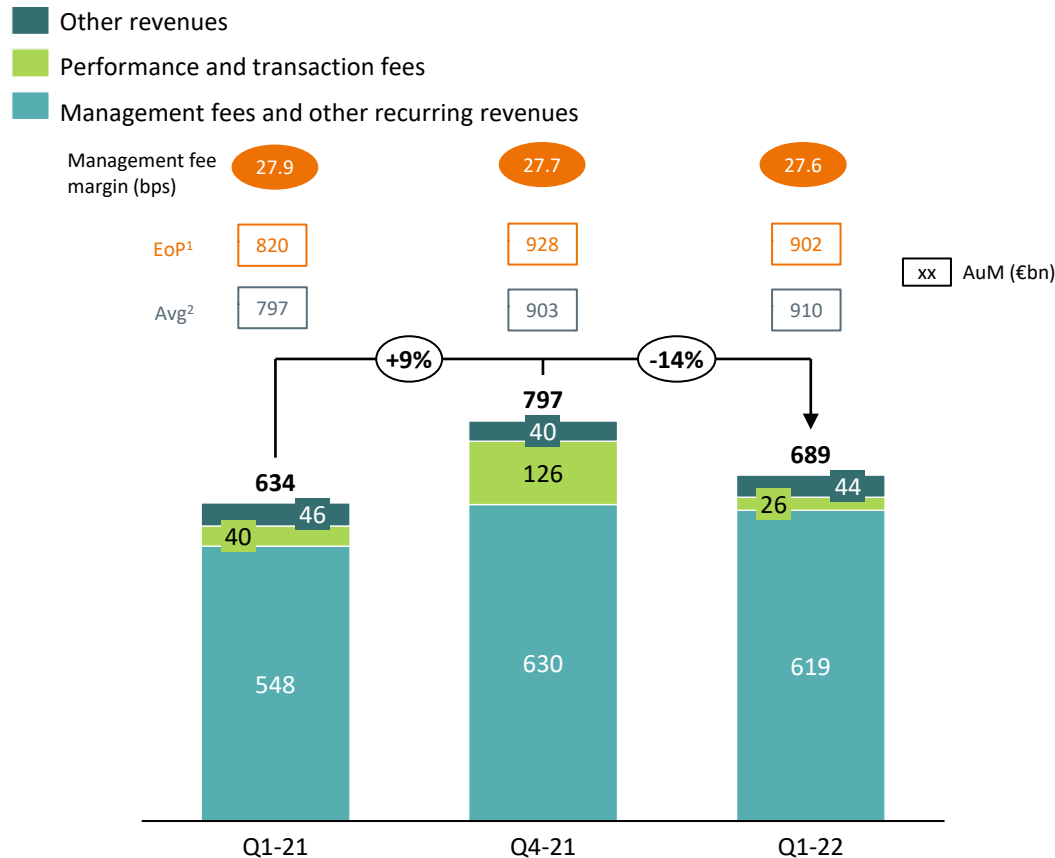
Note: Not all DWS products and services are offered in all jurisdictions and availability is subject to local regulatory restrictions and requirements

¹ Subject to demand assessments, approvals and successful transaction execution

Revenue development

Revenue decline mainly attributable to normalisation in performance fees

Adjusted revenues (€m)



Q1 Highlights

- Management fees and the fee margin remain resilient despite market volatility and less business days in Q1 benefitting from strong fees in Alternatives
- Performance and transaction fees normalized after the recognition of a significant Multi Asset performance fee in Q4 2021
- Other revenues in line with last quarter impacted by favorable change in fair value of guarantees and investment income
- Harvest contributed €19m in the first quarter

1 End of period 2 Monthly average

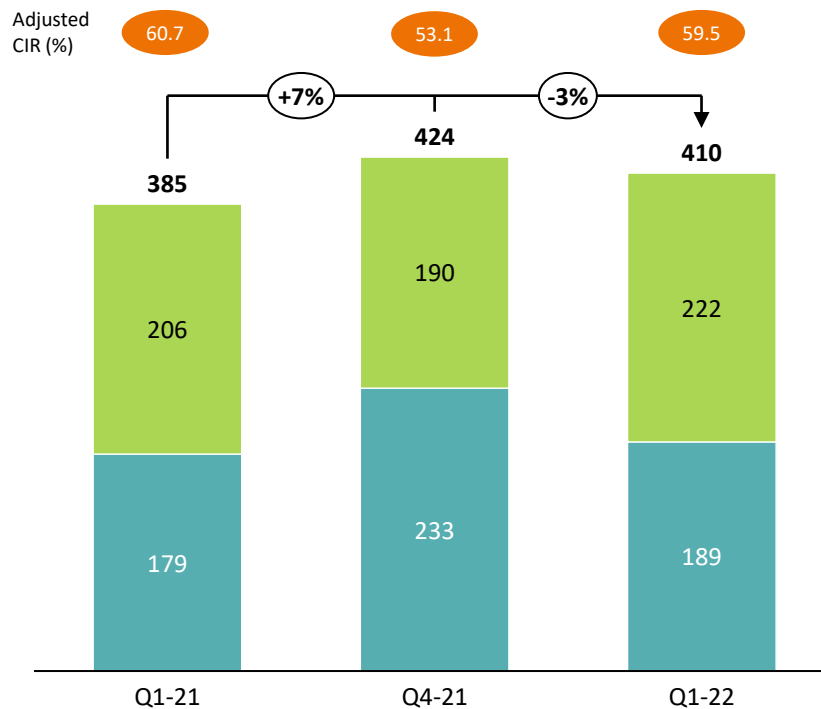
Cost development

Sustained cost discipline while investing into growth



Adjusted costs (€m)¹

- Adjusted Compensation & Benefits
- Adjusted General & Administrative Expenses¹



Q1 Highlights

- Total adjusted costs of €410m includes ~€30m carried interest related to future Alternative performance fees, reflected in compensation & benefits costs
- Excluding carried interest, adjusted compensation & benefits costs were broadly in line with Q4 2021
- Adjusted general and admin expenses 19% below prior quarter, driven by lower IT and marketing spend as well as lower professional and AuM related service fees

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

Q1 2022 conclusion

Resilient results in Q1

- Strong financial performance in Q1 despite challenging markets
- Strong generation of net new revenues due to favourable mix of net flows
- ESG products with continued demand by clients
- Strong 3 and 5 year investment outperformance at 79% and 80% respectively

Outlook



Growth ambitions remain intact while being cost-conscious amid challenging market environment

Market volatility expected to remain at elevated levels...

Macroeconomic outlook

- Russia's invasion of Ukraine, heightened inflation, China's growth worries and supply shortages expected to challenge macro picture throughout 2022 and beyond
- Going forward, we expect market volatility to stay high, more financial repression and a tighter monetary policy in the U.S. and Europe

DWS positioning

- DWS' global business and client base continues to show high levels of activity across various asset classes

...highlighting the importance of determined focus topics to ensure successful Phase Two of corporate journey

- Continued focus on execution to become a stand-alone AM with a dedicated infrastructure platform
- Delivery of ESG commitments (incl. finalization of operational net zero ambitions) and sustainable investment solutions
- Acceleration and refinement of organic, client-centric growth measures to strengthen DWS market position
- Ensure good positioning to take active role in M&A activities, with special focus on APAC region
- Global brand positioning together with brand partnerships to raise visibility and awareness of DWS brand in targeted client segments

01 Appendix

DWS Financial Performance



Profit & Loss and other key performance measures

In €m, unless stated otherwise

	Q1 2022	Q4 2021	Q1 2021	Q1 2022 vs Q4 2021	Q1 2022 vs Q1 2021	
Profit & Loss	Management fees and other recurring revenues	619	630	548	(2)%	13%
	Performance and transaction fees	26	126	40	(79)%	(34)%
	Other revenues	44	40	46	9%	(5)%
	Net revenues	689	797	634	(14)%	9%
	Revenue adjustments	-	-	-		
	Adjusted revenues	689	797	634	(14)%	9%
	Adjusted Compensation & Benefits	222	190	206	16%	8%
	Adjusted General & administrative expenses	189	233	179	(19)%	6%
	Adjusted cost base	410	424	385	(3)%	7%
	Severance & Restructuring	1	13	6	(93)%	(85)%
	Transformational charges	7	9	6	(17)%	22%
	Other cost adjustments	4	0	0	N/M	N/M
	Total noninterest expenses	423	446	397	(5)%	7%
	Profit before tax	266	352	237	(24)%	12%
	Adjusted profit before tax	279	373	249	(25)%	12%
Net income	186	260	169	(28)%	10%	
Other Key Performance Measures	Reported CIR	61.4%	55.9%	62.6%	5.5 ppt	(1.2) ppt
	Adjusted CIR	59.5%	53.1%	60.7%	6.4 ppt	(1.2) ppt
	FTE (#)	3,459	3,422	3,332	1%	4%
	AuM (in €bn)	902	928	820	(3)%	10%
	Net flows (in €bn)	(1.0)	15.0	1.0		
	Net flows (% of BoP AuM - annualized)	(0.5)%	6.8%	0.5%		
	Management fee margin (bps - annualized)	27.6	27.7	27.9		

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
Net flows by asset class							
Active Equity	1.8	0.1	(0.3)	(0.6)	0.1	(0.7)	0.3
Active Multi Asset	(1.8)	(0.5)	2.0	1.1	1.3	3.8	6.8
Active SQI ¹	(3.1)	0.6	1.1	0.7	(0.2)	2.3	(0.1)
Active Fixed Income	(6.8)	1.0	1.7	0.8	1.0	4.6	(2.7)
Active Cash	19.5	(8.6)	5.4	1.9	7.2	5.9	(6.8)
Passive	16.6	7.4	7.9	6.6	3.9	25.9	0.5
Alternatives	4.0	1.0	1.8	1.4	1.7	6.0	1.0
DWS Group	30.3	1.0	19.7	12.0	15.0	47.7	(1.0)
Net flows by region							
Americas	8.8	(3.3)	5.5	4.5	0.9	7.5	(3.7)
EMEA excl. GY	12.1	(0.9)	4.1	3.7	8.8	15.7	(4.4)
Germany (GY)	7.5	3.9	9.9	4.3	6.2	24.3	8.5
Asia Pacific	1.9	1.3	0.2	(0.5)	(0.8)	0.1	(1.4)
DWS Group	30.3	1.0	19.7	12.0	15.0	47.7	(1.0)
Net flows by client channel							
Retail	11.4	5.1	11.2	7.9	7.5	31.7	4.6
Institutional	18.9	(4.1)	8.5	4.1	7.5	16.0	(5.7)
DWS Group	30.3	1.0	19.7	12.0	15.0	47.7	(1.0)
Total net flows							
FX impact	(26.1)	12.8	(3.3)	7.9	8.3	25.8	8.7
Performance	23.7	13.5	21.9	0.9	23.7	60.1	(33.3)
Other	(2.8)	0.6	0.4	(0.2)	0.7	1.5	0.4
Total change in AuM	25.1	27.9	38.8	20.6	47.8	135.0	(25.2)

	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022
AuM by asset class							
Active Equity	97	105	110	110	116	116	112
Active Multi Asset	59	60	64	67	70	70	74
Active SQI ¹	69	71	74	75	77	77	72
Active Fixed Income	220	221	223	225	227	227	215
Active Cash	75	68	73	76	84	84	79
Passive	179	197	213	221	238	238	230
Alternatives	93	99	103	107	115	115	120
DWS Group	793	820	859	880	928	928	902
AuM by region							
Americas	198	203	211	220	230	230	226
EMEA excl. GY	206	211	221	227	245	245	235
Germany (GY)	346	361	380	386	405	405	396
Asia Pacific	43	46	47	46	48	48	46
DWS Group	793	820	859	880	928	928	902
AuM by client channel							
Retail	343	363	386	396	421	421	414
Institutional	449	457	473	484	507	507	489
DWS Group	793	820	859	880	928	928	902

¹ Systematic and Quantitative Investments

Q1 2022 detailed investment outperformance



Investment performance, in %⁽¹⁾

		1Y	3Y	5Y
Active Retail	Equity	49%	71%	67%
	Multi Asset ²	9%	22%	22%
	SQI ²	46%	57%	46%
	Fixed Income	81%	97%	98%
	Cash ²	100%	100%	100%
	Total	60%	77%	74%
Active Institutional	Equity ²	43%	58%	57%
	Multi Asset	50%	60%	56%
	SQI	61%	69%	75%
	Fixed Income	72%	83%	84%
	Cash ²	38%	48%	93%
	Total	66%	77%	80%
Active Total	Equity	48%	69%	65%
	Multi Asset	47%	57%	53%
	SQI	58%	66%	70%
	Fixed Income	73%	85%	86%
	Cash	64%	68%	96%
	Total	64%	77%	78%
Alternatives	Direct Real Estate	94%	88%	89%
	Liquid Real Assets	89%	97%	98%
	Other Alternatives ²	100%	62%	62%
	Total	93%	88%	88%
Total DWS	69%	79%	80%	

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 Mar 31, 2022, Direct Real Estate and Other Alternatives as of Dec 31, 2021) 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 Q1 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 Q1 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>