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DWS Group GmbH & Co. KGaA

Annual General Meeting

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Note:

This version of the speech is an English convenience translation of the German original. The English text is not authoritative.

Dear Shareholders,
Ladies and Gentlemen,

I too should like to welcome you on behalf of the entire Executive Board to this ordinary Annual General Meeting of DWS Group.

This Annual General Meeting is rather special. Because it is not only the seventh such meeting since the IPO but also – and I say this with great pride – the first AGM in which DWS is listed in the MDAX.

In March we were admitted to the select circle of Germany’s top 50 mid-cap companies. This promotion to the stock exchange’s “second division” shows how attractive our company is, and is also testimony to your confidence and support on the journey so far. I would therefore like to take this opportunity to say a heartfelt thank-you.

Permit me to spend the next few minutes outlining our journey in 2024 to reach this milestone in our history. In so doing I shall give an account of the financial year 2024 and report on the progress made in implementing our strategy and where we stand at present.

I should then like to take a brief look at the first part of 2025, giving the outlook for the rest of the year and beyond. After all, following a turbulent start to the year in politics and on the markets, you will understandably wonder how DWS views the coming months.

Ladies and Gentlemen,
Last year I was able to report to the AGM on the successful turnaround of net inflows in 2023. This positive development continued and even accelerated during the past financial year: In 2024 we doubled our long-term net inflows – excluding cash products and advisory services – to EUR 32.9 billion.

Net flows in Passive, including Xtrackers, set a new record. Moreover, we had net flows in Active SQI – systematic and quantitative investments. And, ending a lengthy lean spell for Alternatives, the second half of 2024 saw positive overall net inflows in this part of our business too.

Our strong net inflows helped to increase assets under management by EUR 115 billion in 2024. That takes us to yet another milestone: in December 2024 our assets under management crossed the EUR 1 trillion threshold.

The stable stock market in 2024 paired with strong net inflows and a higher average volume of assets under management resulted in management fee growth. But that is not all: thanks in part to higher performance fees, revenues rose to a new record height of EUR 2.765 billion.

In this connection, something that my fellow board members and I find very important is that good revenues have not resulted in cost discipline being relaxed. On the contrary: in the past financial year we succeeded in slightly reducing costs – with total expenses amounting to approximately EUR 1.8 billion.

We had confirmed our cost objectives for 2024 at the start of the year, specifying that we wanted the adjusted cost-income ratio to be between 62 and 64 percent. At the end of the year the ratio stood at 62.3 percent, close to the lower end of the range.

Revenues up, costs under control – as a result, we achieved a 22 percent increase in profit before tax in the past financial year, reaching EUR 951 million. Even after tax, growth was 18 percent and the net income EUR 649 million. Earnings per share grew from EUR 2.76 in 2023 to EUR 3.25 in 2024.

Ladies and Gentlemen,
The financial success of 2024 would not have been possible without the continued trust of our clients and the performance of our company and the people behind it. Therefore, personally, and on behalf of my colleagues, I should like to give warm thanks to all our clients. We prioritize their financial success and satisfaction; day by day it is what motivates us to be worthy of their trust.

At the same time – on behalf of the DWS Executive Board – I should like to thank our employees for their great dedication, performance and passion, and for their uncompromising commitment to our clients last year. They are the people who work every day to generate value for our clients, and thus for you, our shareholders.

And naturally, ladies and gentlemen, we should also like to thank you for the confidence placed in us. On the basis of the strong financial results and in line with our commitment to create value, we propose a higher ordinary dividend of EUR 2.20 per share for the year 2024. This represents the sixth consecutive annual increase. We consider this dividend, in conjunction with the extraordinary dividend paid last year and the significant rise in our share price, to be clear evidence that shareholder value is a top priority for DWS.

The basis of a successful shareholder value strategy is reliable communication with the capital markets and with the general public. This also involves regular, transparent reviews of where we stand in relation to our short- and medium-term goals.

Let us start by looking at the financial objectives. At our Capital Markets Day in 2022 we outlined the following aims for the financial year 2025: earnings per share of EUR 4.50, an adjusted cost-income ratio lower than 59 percent – equivalent to a non-adjusted cost-income ratio of less than 61.5 percent – and a dividend pay-out ratio of about 65 percent. At the beginning of this year, we reaffirmed these objectives. I shall come back to this point later in my speech.

Ladies and Gentlemen,
At last year's Annual General Meeting I also talked about three short- and three medium-term aspirations, which we formulated at the start of 2024.

In the short term, our goal was to swiftly and quietly resolve our internal challenges, continue delivering strong organic growth, and generate alpha for our clients and investors.

In the medium-term we want to establish DWS as the "Gateway to Europe" for international investors, to be one of the top 5 foreign asset managers in the world's five major economies and to play a role in shaping the "Future of Finance."

Allow me to provide an assessment of our current position in light of these ambitions — acknowledging, of course, that this view may carry a degree of personal perspective.

I'll begin with the desire to resolve our internal challenges as quickly and quietly as possible.

Last year I told you that we were on the home stretch of our transformation programme, which had a time scale of several years. I indicated we would focus on those services and skills which would make us more competitive in the asset management business; this process is now complete, as is the adoption of a hybrid model for our IT.

As described then, we continue to benefit from economies of scale in certain IT areas by partnering with Deutsche Bank whilst – for example with a view to a DWS cloud solution – building and expanding our own capabilities wherever that will make us more competitive. This element in the "Reduce" category of our strategy will be completed by the end of the year, although continuous development of IT systems will obviously be an ongoing task.

Another issue, one which attracted a great deal of public attention, was finally solved by end of the first quarter of 2025. Here I refer to the investigations conducted by the Public Prosecutor's Office in Frankfurt related to ESG.

This case, which has been an issue for nearly three years, was closed early in April. The Frankfurt Public Prosecutor's office found that a negligent oversight infringement had occurred and DWS has accepted the fine imposed.

The deficits identified concern documentation and control processes, procedures and marketing statements relating to ESG. These are exactly the points that, in the past, we had repeatedly conceded in public. Over recent years we have taken determined steps to address these weak spots and are continuously improving our internal documentation and control processes.

We are pleased to have been able to settle this matter. My thanks go to the team of colleagues from the legal department and other specialist sections who have worked so hard in the past few years on resolving this issue and on putting necessary procedural improvements in place.

I believe that in this context one thing is especially important: even though we have resolved this issue, in view of a permanently changing regulatory environment, it is the duty of each and every one of us to continue efforts to further improve our control and documentation processes.

Ladies and Gentlemen,
Permit me at this point to digress a little.

Sustainability remains a highly relevant topic for us. Not only because science has convinced us that climate change is real and the economy and society must adjust to the situation and adopt counter-measures. But also because we have a fiduciary obligation to offer our clients the best possible wealth strategies while keeping an eye on the long-term risks and opportunities.

However, times have changed in respect of regional regulatory differences, and with regard to client preferences. First and foremost I am thinking here of the climate policies and regulatory framework of the US Administration, which create increasing legal implications and risks for companies in which we invest.

Against this backdrop, we have further developed our sustainability strategy, which I sketched out two years ago.

Our commitment remains unchanged: we aim to offer investment expertise and strategies which enable our clients to cope with the sustainable transformation of the real economy. Our activities in this sphere conform to our fiduciary principles.

In this context, it is important to understand exactly what our fiduciary obligation entails: we are guided by the investment aims and decisions of our clients, who have their own interests and key criteria. Therefore we offer a wide range of investment strategies, so that our clients can build long-term wealth. That includes strategies which promote sustainability. And also those which serve conventional objectives.

To put it another way: in the past, DWS has never dictated to any client what strategy they should pursue when investing their money. And we will not do so in future either. We offer alternative products oriented to sustainability goals. But at the end of the day, our clients choose which product they want and if, and to what extent, they wish to take environmental, social and governance aspects into account when investing their money.

For our own part, as a company with a sense of responsibility, our aim remains to contribute to a more sustainable future. This means managing the environmental effects of our operational activities and, through training and social commitment, involving our employees in the advancement of a more sustainable corporate practice. Beyond that, our long-term sustainability indicators play a role in our financial incentives systems.

In view of dynamically changing political and regulatory issues, we shall continue to develop our sustainability processes and activities and adjust them to meet the new framework conditions.

Ladies and Gentlemen,
I now return to the report on how we met our short- and medium-term ambitions in 2024.

Our second short-term objective was to continue to deliver strong organic growth in 2024. I have already spoken of our progress in this area. The more than 10-percent increase in assets under management to over a trillion euros during the financial year 2024 is a remarkable result that compares very well with other players in the field.

The last short-term objective – generating alpha for investors and clients – presents a more mixed picture.

We are very pleased that we were able to generate alpha for our investors – as you doubtless already know from my previous remarks. Since 2022 your DWS has delivered a total shareholder return of close to 100 percent. This placed us well in front of our competitors in Europe and overseas, as well as ahead of all relevant share indices. Our promotion to the MDAX is the reward for your company's clear orientation towards shareholder value.

Almost by the way, we reached another milestone in February 2025 when our share price rose past the 50-euro mark: DWS thus has a market capitalization of more than EUR 10 billion.

However, the picture is not complete without mentioning that we cannot be completely satisfied with the performance of some investment strategies and products, above all not with the relative performance in the past year.

Accordingly, we have taken action. In November we appointed the head of our investment platform, Vincenzo Vedda, as Chief Investment Officer. He has taken over the Chief Investment Office (CIO) and already started on the task of integrating Portfolio Management with the Chief Investment Office and Economic Research.

Initial successes have become apparent in this year's current market environment in which the CIO team's "diversification" drive is delivering results; the Active strategies of DWS have developed better over recent months — not least thanks to their more defensive positioning — and have regained ground.

Ladies and Gentlemen,
Our three medium-term aspirations also made good progress in 2024.

I shall return in a moment to our promise to become the "Gateway to Europe" that will allow international investors access to European transformation.

To fulfil our ambition to be one of the top 5 foreign asset managers in the world's 5 major economies we are focussing above all on Asia. Here we are concentrating in particular on strong regional partnerships and strategic investments.

In Japan, where this year marks our 40th anniversary in the country, we delivered the strongest net inflows since our IPO. We continue to see great potential in the country and are profiting from our strong partnership with Nippon Life, which, as you know, we extended for another five years in 2023.

In China we can build on our investment in Harvest Fund Management, in which we have held a 30 percent stake for several years. This investment reliably delivers returns. As communicated in the past, we are keen to do more in China.

India is a highly interesting developing market for asset management. Here our objective is a strategic partnership.

In view of the aforesaid we remain optimistic that over the course of the decade we will succeed in fulfilling the stated ambition to be one of the "top 5 in the top 5".

Our third medium-term aspiration was to help shape the future of the financial industry.

Two things are necessary here: suitable products and the corresponding link-up with new, digital distribution partners, in order to gain clients among the digital natives who make their own investment decisions. We also need to build proprietary knowledge in order to be prepared for changes in our industry's value chain that will arise from the increased use of blockchain technology.

I am pleased to be able to report that we have made progress here that gives reason for optimism; in April 2024 we set up our Xtrackers ETCs for Bitcoin and Ethereum in order to facilitate safe access to cryptocurrencies for our clients.

At the same time we have made good progress with our AllUnity joint venture, operated in collaboration with Flowtraders and Galaxy Digital. AllUnity will probably issue the first euro stablecoin on the market subject to regulatory oversight from BaFin.

In addition we shall continue to develop capacities and interfaces to attract digital platforms such as Neo-Broker. Over recent months we have been able to expand our partnerships with leading providers. The outcome: In 2024 some 30 percent of our Xtrackers inflows already came via these channels.

Ladies and Gentlemen,
To sum up the year 2024 I should like to say that we are content. But we are not self-satisfied. Last year we took some major steps towards fulfilling our medium-term aspirations. And we have also laid the foundation on which we can attain our ambitious aims for 2025. But we still need complete commitment to achieve these goals.

That was also evident at the start of this year.

Ladies and Gentlemen,
We succeeded in maintaining the momentum of 2024 in the first quarter of 2025. Net inflows including Cash products and Advisory Services totalled EUR 19.9 billion – setting a new DWS record.

Once again, this was mainly driven by Passive including Xtrackers, with the support of good inflows into Active SQI and Active Fixed Income. Long-term net inflows excluding Cash products and Advisory Services comprised the handsome sum of EUR 11.7 billion.

In a market environment that was already volatile and marked by geopolitical uncertainties, the long-term assets under management slipped by 1 percent quarter on quarter to EUR 891 billion. In the first quarter we could not fully compensate exchange rate movements and faltering markets. In contrast, overall assets under management remained stable and, at EUR 1,010 billion, close to the record level seen in the prior quarter.

In a challenging market environment during the second quarter, assets under management had, by the end of May, returned to approximately the same level as at year-end 2024. However, the ongoing uncertainties on the market have tended to influence client behaviour, impacting net inflows. Currently, we are expecting the long-term net inflows in the second quarter to be about half as high as they were at the start of the year. More details on this topic will be contained in our media release for the second quarter, to be published on 24th July 2025.

Dear shareholders,
You all know that with hindsight the year 2024 and the first quarter of 2025 belong, as it were, to a different era. I refer of course to the impact of President Trump's self-declared "Liberation Day" at the beginning of April, when he shook global capital markets with his comprehensive swipe at customs tariffs.

Since then we have witnessed geopolitical uncertainties following the announcement of tariffs and counter-tariffs, their suspensions and exceptions, together with the conclusion of trade agreements which are, at best, open to interpretation.

All these events have put added pressure on already volatile markets and rattled market players. There is a question mark hanging over the long-term effects on, for example, the role of the US dollar as reserve currency and over which economic and geopolitical alliances will emerge in future. Consequently, the mood of investors remains cautious and our industry is entering a more complex and difficult phase. The times when asset managers could rely on a comparatively comfortable market beta are over.

Ladies and Gentlemen,
In such an environment it is of little use to concentrate too hard on certain index levels or yield forecasts. The markets are driven by contradictory, fast-moving forces, making every base scenario just one of many possibilities.

What does an asset manager need in order to create alpha in such a market, in other words to deliver to their shareholders added value relative to the market's overall development?

Our view is that diversification and discipline are more important than ever. But something else is increasingly making a difference; it is the ability to offer a credible alternative to American competitors. Exactly that is a strong point of your DWS.

Let's talk about diversification.
DWS is one of the most diversified global asset managers – in terms of our products, client groups and the regions in which we are active.

As one of only a few global providers we manage assets in excess of EUR 100 billion in each of the following categories: Active Equity, Active Fixed Income, Active Multi Asset and SQI, ETFs and Alternatives. This volume across such a wide spectrum of asset classes is our distinguishing feature. It means that we are not dependent on a single type of asset. It keeps us resilient – even if markets change or our clients develop different needs.

Our client base is a balanced mix of wholesale and institutional investors and we are not tied to a group-owned distribution channel. In a world in which partnerships can change rapidly, this independence eliminates event risks and gives us greater control and flexibility.

I have already mentioned our regional ambitions. We are growing in regions of rising prosperity and our partnerships contribute to a stronger local presence. Thanks to this local expertise we can adjust to a region's regulations and the expectations of its clients while remaining part of a global network.

Let's talk about discipline.
In an environment in which revenue growth is becoming increasingly volatile due to investor caution, a stringent cost structure is vital. We have rigorously controlled our costs over recent years. In so doing we have delivered a good cost-income ratio, better than most competitors' figures.

Moreover, we are one of the few global providers on the market that is not currently engaged in restructuring or post-merger integration. And, as mentioned before, last year we completed our transformation programme.

That means that we can now concentrate fully on the implementation of our strategy and on growing our business. And, thanks to the good cost-income ratio, every increase in revenues can make a significant contribution to our financial results. Such are the basics.

Ladies and Gentlemen,
Earlier I mentioned our medium-term aspiration is to be perceived by international investors as their "Gateway to Europe." I have also briefly touched on the effects on the global economy of decisions made by the President of the USA.

In this context our identity as European asset manager with deep roots in Germany is something we must make the most of – along with our skills in bringing perspectives together in the global context. Because the way people view Europe is changing sustainably.

Only a few months ago global investors regarded Europe with a mixture of scepticism and disinterest. Low growth prospects, concerns about stability and fiscal unity, paired with the infamous European bureaucracy and narrow national interests have tended to frighten investors away.

But the geopolitical pressures of the past few weeks have brought about European reforms that probably would not have happened otherwise. The most relevant aspects are irreversible decisions that are leading the continent, and above all Germany, down a different economic path than hitherto.

I refer here to the “debt brake” or balanced budget law, now revised to exempt defence spending from its restrictions and to the 500-billion-euro special fund for infrastructure projects. In his first speech laying out the government’s agenda Federal Chancellor Merz re-emphasized that state investment should also mobilize private capital.

This is the right course! Why? Because it generates fresh momentum on the domestic market, strengthens and channels popular desire for transformation and a vision for the future – and last but not least it encourages international players to invest more in Europe.

At present we are witnessing a repatriation movement as European wealth is being withdrawn from the USA to flow back to the “old world”. At the same time talks with international clients, especially those in Asia and the Middle East indicate that they are planning to change the allocation of their portfolios.

As one of Europe’s leading asset managers and the undisputed number 1 in Germany, we are in a strong position to benefit from this momentum. And indeed, talks with these clients reveal that there is strong demand for our expertise and our ability to connect the dots — linking perspectives across regions and asset classes.

Ladies and Gentlemen,
Even if the signs are looking good, the Executive Board still has the important task of regularly checking whether our strategy is still viable, or whether we need to make adjustments. The Supervisory Board has been closely involved in this process in the context of strategy discussions.

The result is that we are convinced that the strategy we presented at the Capital Markets Day in 2022 remains valid and is right for DWS. The major focus sectors remain

- “Reduce” – meaning the ongoing optimization of our set-up,
- “Value” – meaning our core in active management,
- “Growth” – meaning focussed investment in growth of the Xtrackers and Alternatives business
- and “Build” – meaning the build-up of forward-looking business areas and the requisite proprietary knowledge.

However, an unbiased assessment of the situation must include the fact that in some areas we have not yet realized our full potential or have not been able to implement plans perfectly. Consequently we have defined some focus topics that are to be treated with priority.

One of these is to return to a stronger concentration on the active business, especially in the German market. This is at the heart of DWS, the core of the company throughout its nearly 70-year history. We wish to strengthen and grow this business.

We want to address further potential in our Alternatives sphere. In the first half of 2025 we agreed to cooperate with Deutsche Bank in the private credit sector, which gives us and our clients preferential access to certain asset-based finance, direct lending and other private credit asset opportunities originated by Deutsche Bank.

Last but not least we wish to better exploit the potential inherent in offers for our institutional clients.

We will tackle these topics with cross-sector project teams and clearly defined responsibilities with regular tracking at board level, in order to steer the future development of your DWS.

Because, ladies and gentlemen, we have reached an important moment in the history of DWS.

Over recent years we have transformed the company and structured it so that we can concentrate on growth and the implementation of our strategy. We have caught up with our competitors, but we have not yet overtaken them.

As I said before, our industry has entered a new, more difficult phase. And in this phase we shall see who has done their homework. And in this phase we shall see who is ready to overtake.

Over the past years DWS has worked hard and now has the confidence to say, we are ready.

Because while we continue to focus rigorously on implementing our strategy for organic growth, we also believe that impending market volatility can offer interesting non-organic opportunities.

When times are stressful for markets, structural weaknesses often become apparent. And as a focussed company with large capital resources we are in a strong position to take action where others may perhaps encounter difficulties.

Therefore it is important for us to remain able to react with financial flexibility. Despite the distribution of an extraordinary dividend last year we still have considerable capital reserves. This puts us in a position to open up new avenues and pursue new opportunities.

Rest assured; we will be concentrating on the opportunities that create genuine value – for our clients and for you, our shareholders.

Ladies and Gentlemen,
What does this all mean for our financial objectives?

As already said, we still aim to return earnings per share of EUR 4.50 for the full year 2025. We still consider that to be realistic and achievable, even if the latest market fluctuations have widened the range of potential outcomes.

At the start of the year we announced medium-term financial objectives which we should like now to confirm. In 2026 and 2027 we are seeking earnings per share growth of 10 percent per annum. We expect this growth to be driven by rising revenues and ongoing cost management. We also expect to further improve the reported cost-income ratio, which we intend to push down to 61.5 percent by the end of 2025. In addition we are still aiming for a dividend pay-out ratio of about 65 percent.

We are convinced that your DWS will thus be an even more attractive investment in future. We are working all-out to achieve this.

Thank you for your kind attention.