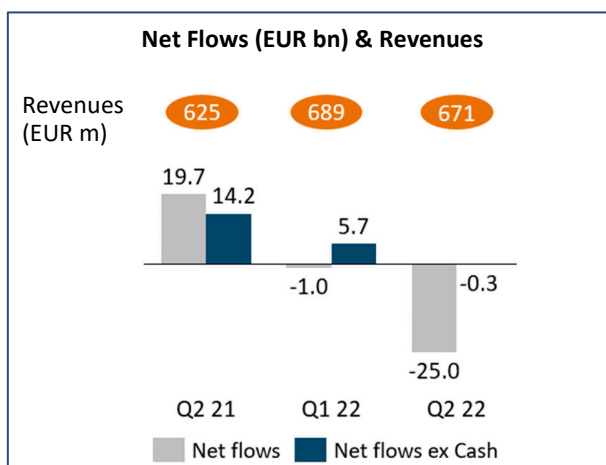


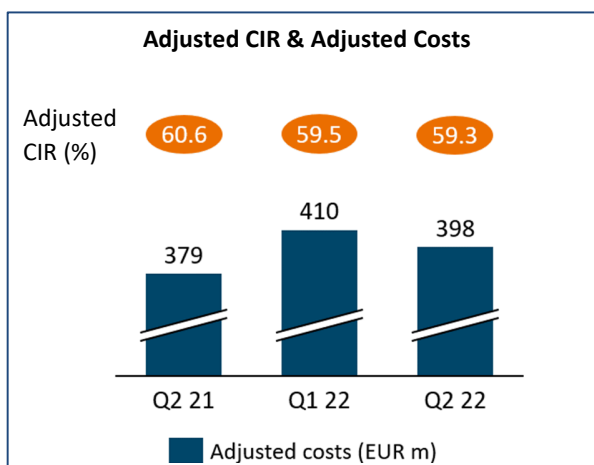
## Q2 2022: DWS Stays Resilient with Strong Financial Results in Turbulent Markets

- **Adjusted profit before tax at EUR 273m in Q2 – best second quarter ever** (Q1 2022: EUR 279m; Q2 2021: EUR 247m), down 2% vs. Q1, up 11% y-o-y; in H1 2022 EUR 552m – **highest H1 result ever –**, up 11% y-o-y
- **Adjusted Cost-Income Ratio (CIR) at very good level of 59.3% in Q2** (Q1 2022: 59.5%; Q2 2021: 60.6%) and 59.4% in H1
- **Adjusted costs reduced to EUR 398m** in Q2 (Q1 2022: EUR 410m; Q2 2021: EUR 379m), down 3% q-o-q and up 5% y-o-y; in H1 2022 EUR 808m, up 6% y-o-y
- **Total revenues at EUR 671m in Q2** (Q1 2022: EUR 689m; Q2 2021: EUR 625m), down 3% q-o-q and up 7% y-o-y; in H1 2022 EUR 1,360m, up 8% y-o-y
- **Net flows ex Cash almost flat in Q2 (minus EUR 0.3bn)** leading to net inflows ex Cash of EUR 5.5bn in the first half of 2022 with sustained demand from our clients for high-margin alternative investments and Active funds; **including high net outflows from volatile low-margin Cash products, of which the majority returned during July**, total net flows in Q2 amounted to **minus EUR 25.0bn**



“Although the environment further deteriorated significantly in the second quarter, we were able to achieve the best adjusted pre-tax profit we have ever had in a second quarter and a first half of the year. Thanks to our diversified business model, we remained resilient and achieved a good product mix of our quarterly net flows as we saw a continued demand from our clients for high-margin alternative investments and Active funds.”

**Stefan Hoops, CEO**



“Year-on-year, our management fees went up significantly in the first half of 2022 and we increased our revenues by 8 percent. Inflows in our high-margin strategies led to strong net new revenues. Overall, we were able to raise our adjusted pre-tax profit by 11 percent compared to the first half of 2021, the adjusted Cost-Income Ratio improved to the very good level of 59.4 percent.”

**Claire Peel, CFO**

## Business Development

In the second quarter, the war in the Ukraine continued to strongly impact economies and stock markets around the globe. But **we remained resilient thanks to our diversified business model**. We saw a sustained **demand from our clients for high-margin alternative investments and Active funds**, while primarily low-margin Cash products suffered net outflows given the prevailing environment of high inflation rates and rising interest rate expectations. In total, we saw **almost flat net flows ex Cash** of minus EUR 0.3 billion in the second quarter. Including low-margin Cash products, net flows amounted to minus EUR 25.0 billion. However, **the good mix of our quarterly net flows led again to strong net new revenues**.

Despite the negative environment, **DWS delivered once more strong financial results in the first half of 2022. Revenues were up in H1 2022** by 8 percent year-on-year. Compared to the first quarter, management fees remained unchanged, but a less favourable change in the fair value of guarantees led, among other things, to revenues being down 3 percent. The adjusted cost base declined quarter-on-quarter, while it rose in H1 year-on-year consistent with our growth strategy. **Our adjusted Cost-Income Ratio** of 59.3 percent in Q2 and 59.4 percent in H1 is at a **very good level**. The **adjusted profit before tax increased in H1 2022** by 11 percent year-on-year and was in Q2 only slightly below the very high Q1 2022 level. **That was the highest adjusted profit before tax DWS ever had in a second quarter and in the first half of a year**.

**Total revenues** decreased quarter-on-quarter slightly by 3 percent to EUR 671 million in Q2 2022 (Q1 2022: EUR 689 million; Q2 2021: EUR 625 million). While management fees remained stable and performance fees rose, other revenues decreased mainly due to a less favourable change in the fair value of guarantees. **In the first half of 2022, total revenues increased year-on-year by 8 percent** to EUR 1,360 million (H1 2021: EUR 1,259 million). This was driven by higher management fees.

**Adjusted profit before tax** decreased quarter-on-quarter slightly by 2 percent to EUR 273 million in the second quarter (Q1 2022: EUR 279 million; Q2 2021: EUR 247 million). After tax, DWS posted a 17 percent lower **net income** of EUR 155 million for the second quarter 2022 (Q1 2022: EUR 186 million; Q2 2021: EUR 172 million). **Adjusted profit before tax for the first half of 2022 rose by 11 percent** year-on-year to EUR 552 million (H1 2021: EUR 496 million). **Net income increased in the first half year of 2022** year-on-year by EUR 1 million to EUR 341 million (H1 2021: EUR 340 million).

**Assets under Management (AuM)** decreased to EUR 833 billion in the second quarter of 2022 in a very difficult market environment (Q1 2022: EUR 902 billion; Q2 2021: EUR 859 billion). This was mainly driven by the negative market developments but also by net outflows, while exchange rate movements were favorable.

We recorded **net flows** of minus EUR 25.0 billion in the adverse environment of the second quarter 2022, resulting in minus EUR 26.1 billion in the first half of the year. However, this was again accompanied by a good product mix of our quarterly net flows. Although there were primarily high net outflows from volatile low-margin Cash products – of which the majority returned during July –, we recorded net inflows in high-margin Alternatives and Active (ex Cash) products. Excluding Cash, net flows were almost flat in the second quarter with minus EUR 0.3 billion. For the first six months of 2022 net flows ex Cash amounted to EUR 5.5 billion.

**Active Asset Management** ex Cash showed resilience and recorded net inflows of EUR 1.5 billion in the second quarter (Q1 2022: EUR 4.3 billion). All sub-asset classes contributed to this number except Fixed Income (minus EUR 0.1 billion), which suffered from rising inflation as well as the expectation of increasing interest rates. Active Equity generated again increased net new assets of EUR 0.7 billion driven by inflows in flagship fund DWS Top Dividende and with continued demand for ESG<sup>1</sup> products. In addition, Multi Asset attracted net inflows of EUR 0.6 billion primarily driven by strong inflows in flagship fund DWS Concept Kaldemorgen. Furthermore, Active SQI recorded net flows of EUR 0.4 billion. Low-margin Cash products saw net outflows of minus EUR 24.8 billion (Q1 2022: minus EUR 6.8 billion) given the prevailing environment of high inflation rates and rising interest rate expectations.

**Passive Asset Management** saw net outflows of minus EUR 3.3 billion in the second quarter (Q1 2022: EUR 0.5 billion). Clients continued to de-risk their portfolios given the huge geopolitical uncertainty that has led to high volatility on the markets, recession fears and falling share prices.

**Alternatives** attracted increased net flows of EUR 1.6 billion in the second quarter (Q1 2022: EUR 1.0 billion), driven primarily by strong net new assets in Liquid Alternatives and supported by smaller net inflows in Infrastructure products.

**Adjusted costs**, which also exclude transformational charges and other non-recurring expenses, dropped quarter-on-quarter by 3 percent to EUR 398 million in Q2 2022 (Q1 2022: EUR 410 million; Q2 2021: EUR 379 million). This decline was due to lower compensation and benefits costs mainly driven by a reduced carried interest. In the first half of the year, adjusted costs rose by 6 percent year-on-year to EUR 808 million (H1 2021: EUR 764 million). This was in line with our growth strategy and driven by increased general and administrative expenses and higher compensation and benefits costs.

The **adjusted Cost-Income Ratio (CIR)** decreased slightly by 0.3 percentage points to 59.3 percent in the second quarter 2022 (Q1 2022: 59.5 percent; Q2 2021: 60.6 percent), remaining at a very good level. The adjusted CIR improved year-on-year by 1.2 percentage points to 59.4 percent in the first half of the year (H1 2021: 60.6 percent).

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<sup>1</sup> For an explanation of the ESG product classification framework, please refer to the “Important Note” at the end of this document.

## **Outlook**

Our outlook remains unchanged from that published in our 2021 Annual Report.

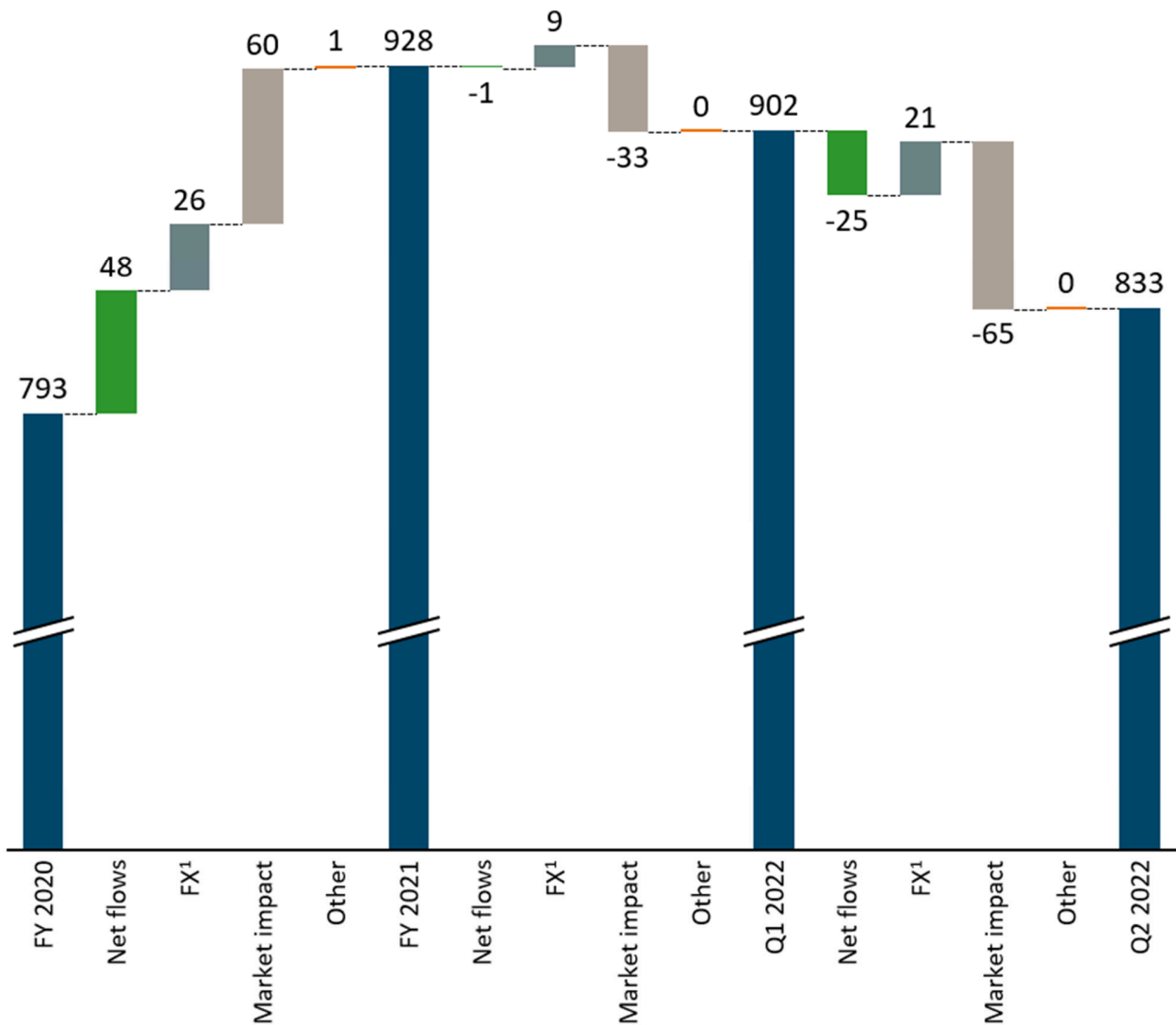
## Appendix

### Profit & Loss Statement (in EUR m, unless stated otherwise) and Key Performance Indicators

	Q2 2022	Q1 2022	H1 2022	H1 2021	Q2 2022 vs. Q1 2022	H1 2022 vs. H1 2021
Management Fees and other recurring revenues	619	619	1,238	1,132	0%	9%
Performance & Transaction Fees	31	26	58	58	20%	-1%
Other Revenues	21	44	65	69	-52%	-6%
<b>Total net revenues</b>	<b>671</b>	<b>689</b>	<b>1,360</b>	<b>1,259</b>	<b>-3%</b>	<b>8%</b>
<i>Revenue adjustments</i>	-	-	-	-	-	-
<b>Adjusted revenues</b>	<b>671</b>	<b>689</b>	<b>1,360</b>	<b>1,259</b>	<b>-3%</b>	<b>8%</b>
Compensation and benefits	207	223	430	406	-7%	6%
General and administrative expenses	234	200	434	376	17%	15%
Restructuring activities	0	0	0	2	-75%	-83%
<b>Total noninterest expenses</b>	<b>442</b>	<b>423</b>	<b>865</b>	<b>783</b>	<b>4%</b>	<b>10%</b>
<i>Cost adjustments</i>	44	13	57	20	N/M	N/M
<i>of which transformational charges</i>	15	7	22	13		
<b>Adjusted cost base</b>	<b>398</b>	<b>410</b>	<b>808</b>	<b>764</b>	<b>-3%</b>	<b>6%</b>
<b>Profit before tax</b>	<b>230</b>	<b>266</b>	<b>496</b>	<b>476</b>	<b>-14%</b>	<b>4%</b>
<b>Adjusted Profit before tax</b>	<b>273</b>	<b>279</b>	<b>552</b>	<b>496</b>	<b>-2%</b>	<b>11%</b>
<b>Net income</b>	<b>155</b>	<b>186</b>	<b>341</b>	<b>340</b>	<b>-17%</b>	<b>0%</b>
Cost-Income Ratio	65.8%	61.4%	63.6%	62.2%	4.4ppt	1.4ppt
<b>Adjusted Cost-Income Ratio</b>	<b>59.3%</b>	<b>59.5%</b>	<b>59.4%</b>	<b>60.6%</b>	<b>-0.3ppt</b>	<b>-1.2ppt</b>
Employees (full-time equivalent)	3,508	3,459	3,508	3,342	1%	5%
Assets under management (in EUR bn)	833	902	833	859	-8%	-3%
<b>Net flows (in EUR bn)</b>	<b>-25.0</b>	<b>-1.0</b>	<b>-26.1</b>	<b>20.7</b>		
<b>Net flows (% of BoP AuM - annualized)</b>	<b>-11.1</b>	<b>-0.5</b>	<b>-5.7</b>	<b>5.3</b>		
Management fee margin (bps annualized)	28.4	27.6	28.0	28.0		

N/M – Not meaningful

**AuM development in detail (in EUR bn)**



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

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### Webcast/Call

Stefan Hoops, Chief Executive Officer, and Claire Peel, Chief Financial Officer, will elaborate on the results in an investor and analyst call on 27 July 2022 at 10 am CEST. The analyst webcast/call will be held in English and broadcasted on <https://group.dws.com/ir/reports-and-events/financial-results/>. It will also be available for replay. Further details will be provided under <https://group.dws.com/ir/>.

### About DWS Group

DWS Group (DWS) with EUR 833bn of assets under management (as of 30 June 2022) aspires to be one of the world's leading asset managers. Building on more than 60 years of experience, it has a reputation for excellence in Germany, Europe, the Americas and Asia. DWS is recognized by clients globally as a trusted source for integrated investment solutions, stability and innovation across a full spectrum of investment disciplines.

We offer individuals and institutions access to our strong investment capabilities across all major liquid and illiquid asset classes as well as solutions aligned to growth trends. Our diverse expertise in Active, Passive and Alternatives asset management – as well as our deep environmental, social and governance focus – complement each other when creating targeted solutions for our clients. Our expertise and on-the-ground knowledge of our economists, research analysts and investment professionals are brought together in one consistent global CIO View, giving strategic guidance to our investment approach.

DWS wants to innovate and shape the future of investing. We understand that, both as a corporate as well as a trusted advisor to our clients, we have a crucial role in helping navigate the transition to a more sustainable future. With approximately 3,600 employees in offices all over the world, we are local while being one global team. We are committed to acting on behalf of our clients and investing with their best interests at heart so that they can reach their financial goals, no matter what the future holds. With our entrepreneurial, collaborative spirit, we work every day to deliver outstanding investment results, in both good and challenging times to build the best foundation for our clients' financial future.

**Important Note**

This release 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 Q2 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 release.

This document 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/>.