



Investors for a new now

DWS Group – Q4 & FY 2022 preliminary results

February 02, 2023



FY 2022 key achievements

Solid results despite continued challenging market environment

» Adjusted revenues of €2.7bn, flat vs 2021, with increasing mgmt. fees y-o-y

» Adjusted cost income ratio of 60.6%, in line with guidance

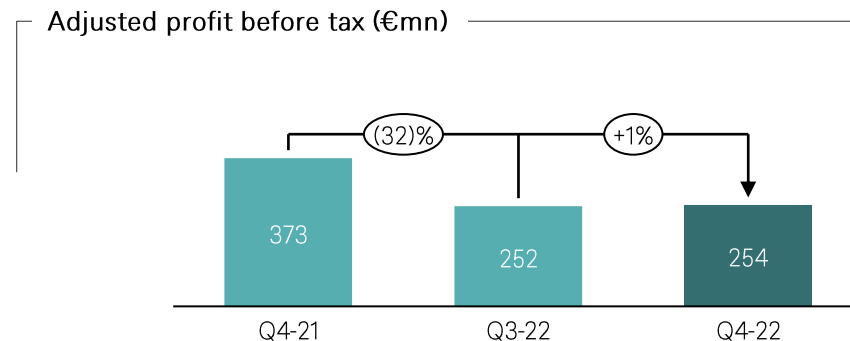
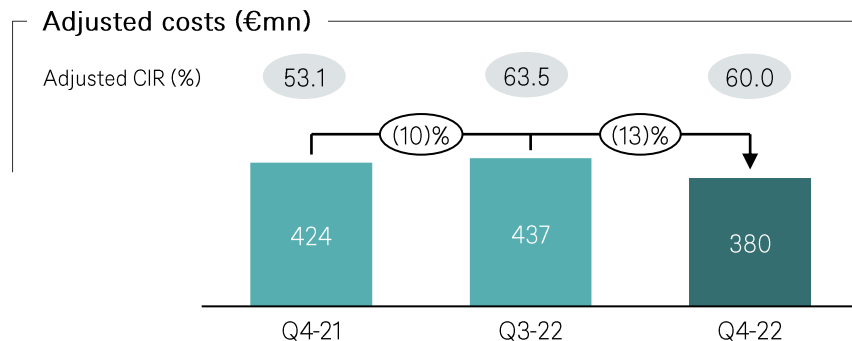
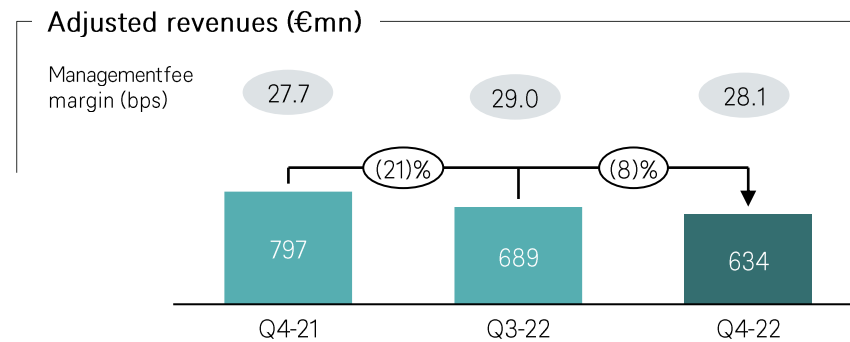
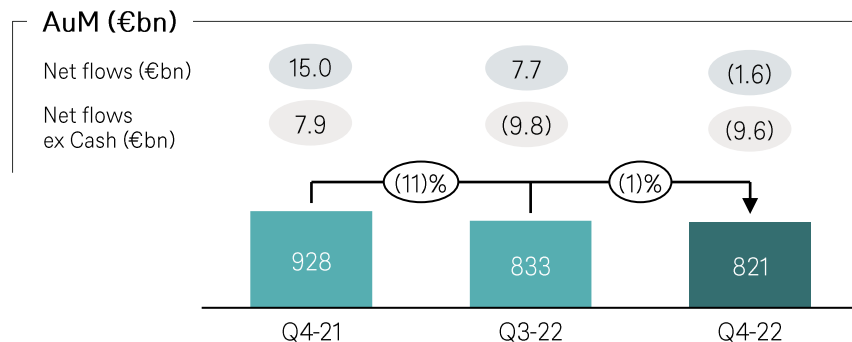
» Total net outflows of €(19.9)bn, with net inflows in Multi Asset and Alternatives

» 2022 Dividend: Executive Board will propose a **dividend of €2.05 per share¹⁾**

1) Subject to Annual General Meeting approval on June 15, 2023

Financial performance snapshot – Q4 2022

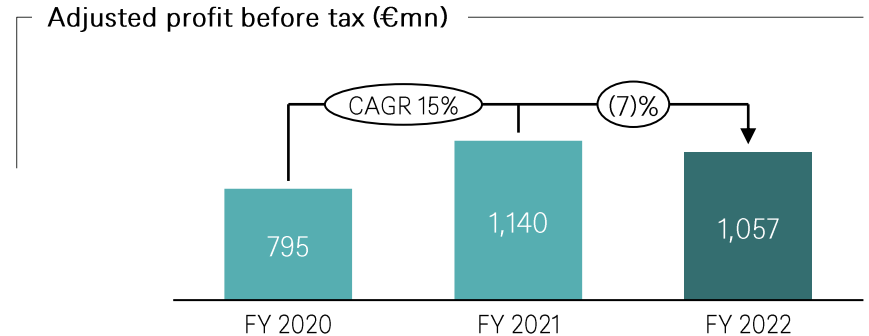
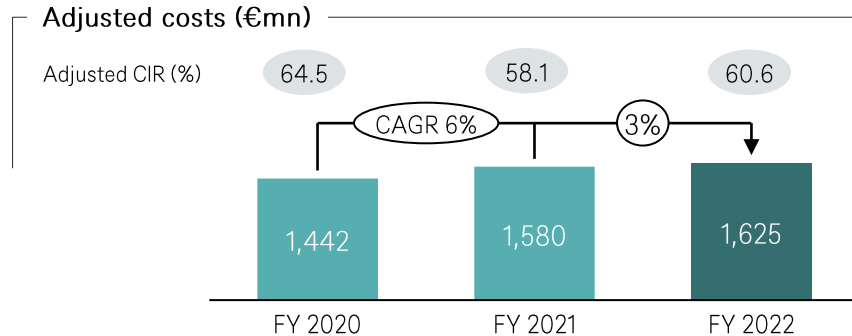
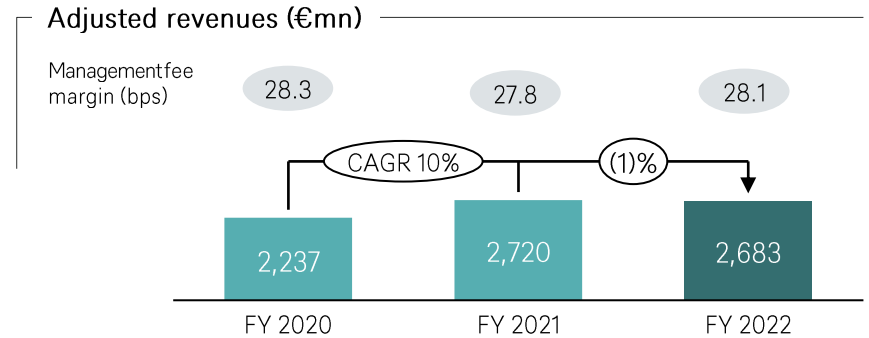
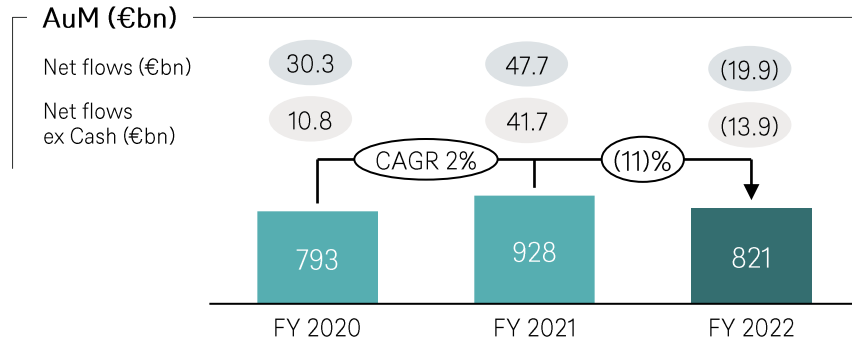
Adjusted profit before tax stable q-o-q



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

Financial performance snapshot – FY 2022

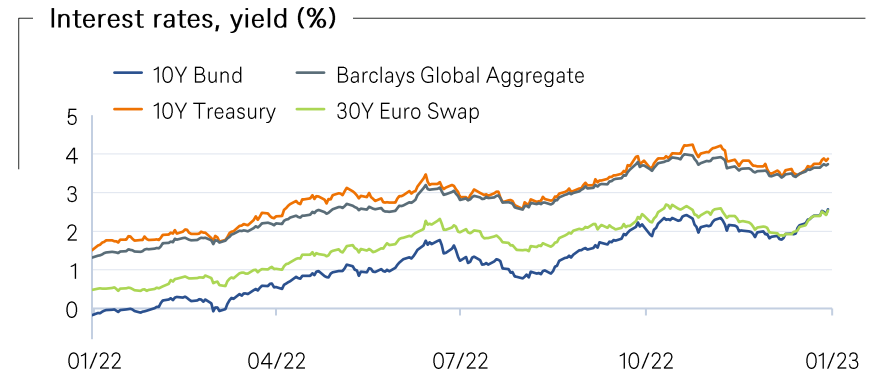
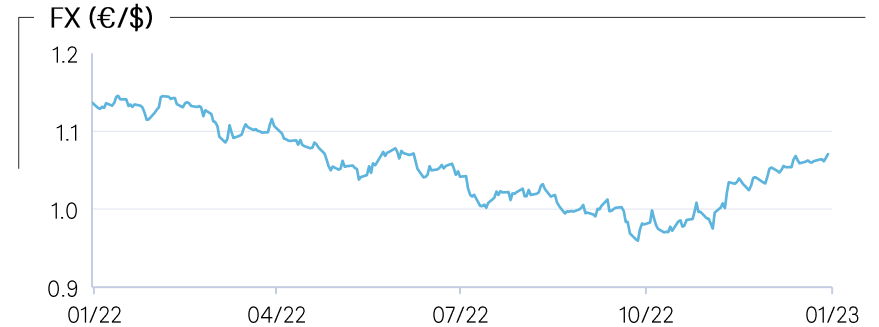
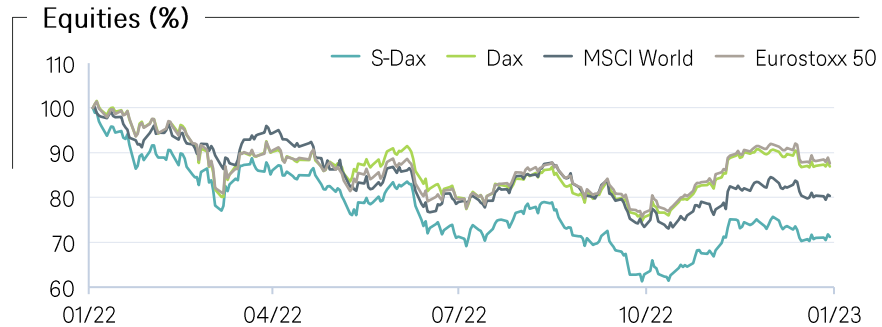
Robust revenue generation despite challenging market conditions



Note: CAGR, compound annual growth rate over the period FY 2020 to FY 2022

Market environment

Rising rates and weaker USD in Q4



Source: Bloomberg

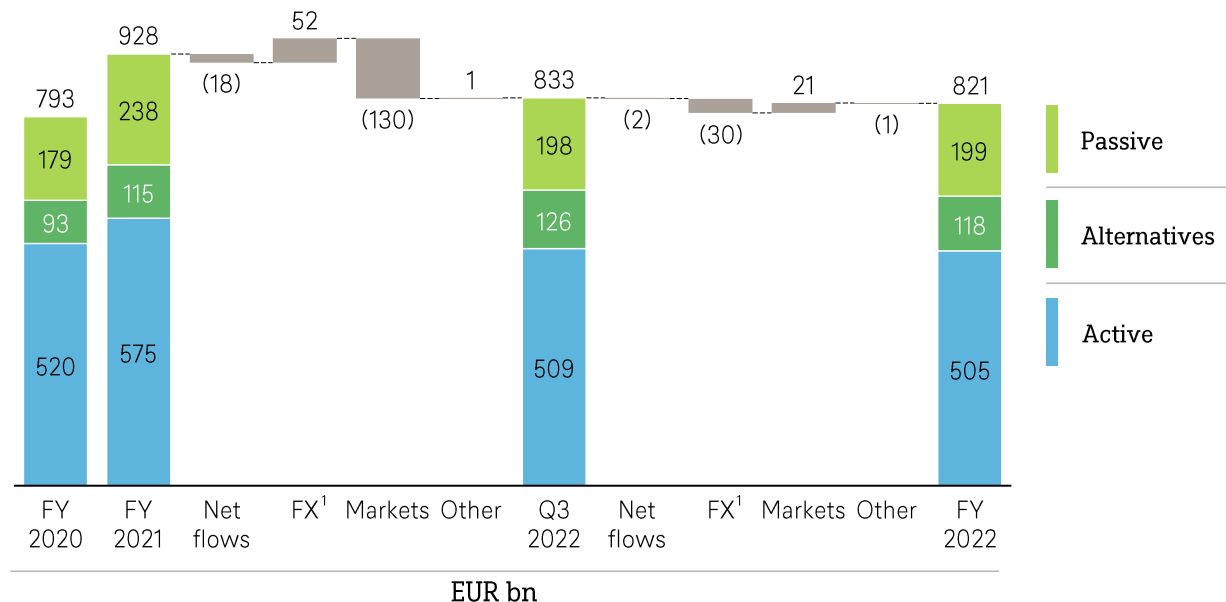
AuM development

Sharp decline of AuM in 2022 due to market downturn

FY / Q4 Highlights

- AuM slightly decreased to €821bn in Q4
- Positive market impact of €21bn in Q4, more than offset by negative €/€ exchange rate movements
- €(2)bn of net outflows in Q4, predominantly driven by fixed income redemptions
- AuM declined by €(106)bn during the year resulting from negative market developments of €(108)bn and net outflows

AuM development 2020 - 2022



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

AUM and net flows by asset class & region

Net flows negatively affected by clients' risk aversion as a result of macro uncertainty

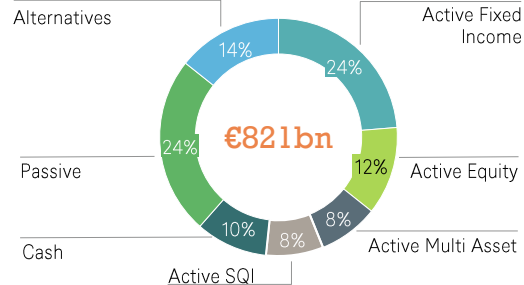
Q4 Highlights

- Net outflows of €(1.6)bn in Q4 impacted by the market downturn throughout 2022
- Active Equity with positive inflows especially into Top Dividende
- Net outflows in Fixed Income, impacted by rising inflation and expected rate rises
- Alternatives with net outflows of €(2.9)bn in Q4, mainly driven by a capital distribution from PEIF 2
- Net outflows from Passive due to institutional mandates partly offset by Xtrackers ETP inflows

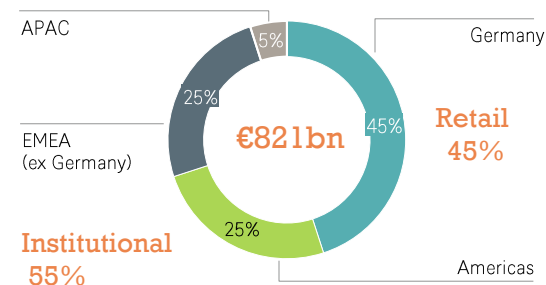
Net flows breakdown, €bn

	Q4-21	Q3-22	Q4-22	FY-21	FY-22
Active Equity	0.1	(2.1)	0.3	(0.7)	(0.8)
Active Multi Asset	1.3	(0.5)	(1.0)	3.8	5.9
Active SQI ¹	(0.2)	(0.4)	(0.3)	2.3	(0.3)
Active Fixed Income	1.0	(4.1)	(5.2)	4.6	(12.2)
Passive	3.9	(3.8)	(0.5)	25.9	(7.1)
Alternatives	1.7	1.0	(2.9)	6.0	0.6
Total ex Cash	7.9	(9.8)	(9.6)	41.7	(13.9)
Cash	7.2	17.6	8.0	5.9	(6.0)
Total	15.0	7.7	(1.6)	47.7	(19.9)

AuM by asset class



AuM by region & client type



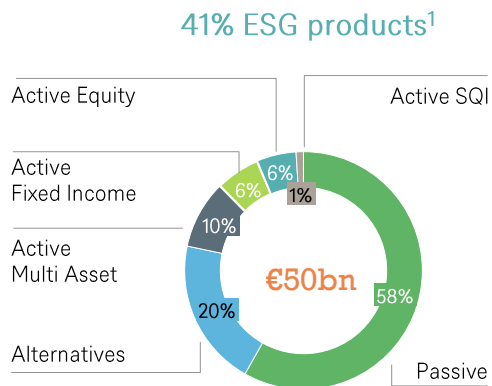
¹Systematic and Quantitative Investments

New fund launches and product pipeline

EUR 9bn of inflows in 2022 from new funds launched since IPO



Cumulative flows since IPO as of Q4 2022



Management fee margin of new funds (bps)

~36

Product range strategy going forward

- Capture active flows through new products based on market dynamics and innovation
- Increase share of active funds with EUR >1bn in AuM
- Increase Xtrackers offering globally through UCITS ETP range completion and specialized US offering
- Expand flagship vintage series and open-ended fund offering across Infrastructure and Real Estate
- Leverage existing and new Alternatives products incl. Private Credit to drive European Transformation

Q1 2023 Fund Launches Pipeline²

- Xtrackers MSCI World Climate Transition UCITS ETF
- Xtrackers MSCI Global SDG 7 Affordable and Clean Energy UCITS ETF Passive
- European Infrastructure Strategy Alternatives
- DWS Fixed Maturity Diversified Bonds 2026 Active

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 product classification framework explanation on p. 21. ² Examples, subject to demand assessments, approvals and successful transaction execution.

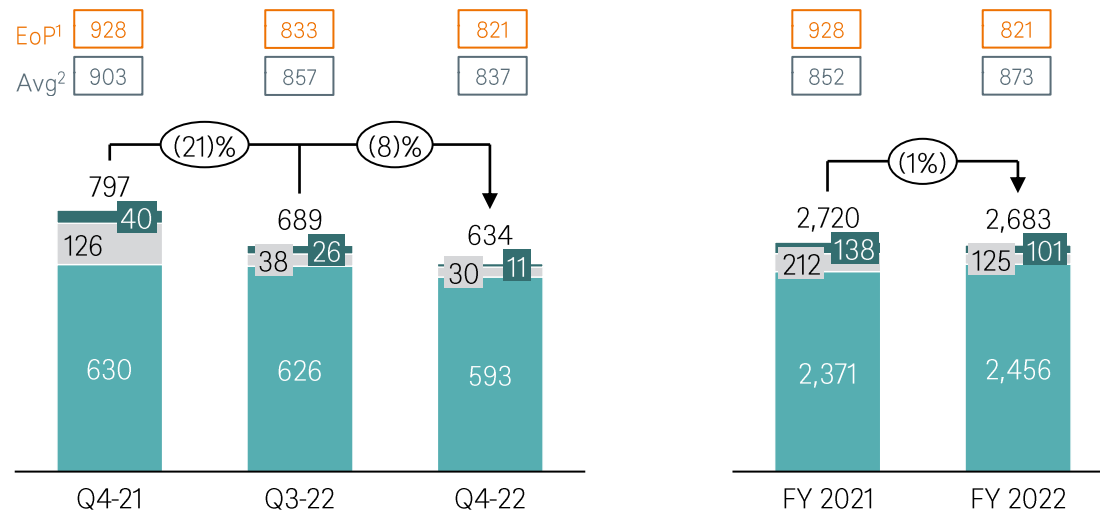
Revenue development

Increasing management fees despite challenging markets in 2022

Q4 Highlights

- Revenues were impacted by exchange rate movements and market developments
- Performance and transaction fees decreased q-o-q, mainly due to lower performance fees for our Illiquid business, where we had high performance fees in Q3
- Adjusted other revenues €15mn below Q3 driven by the unfavorable change in fair value of guarantees and valuation adjustments in our co-investment portfolio

Adjusted revenues



EUR mn

xx AuM (€bn)
 Management fees and other recurring revenues
 Performance & transaction fees
 Other revenues

Note: Q4 revenues adjusted for €30m sales gain on recent transaction ¹End of period. ²Monthly average

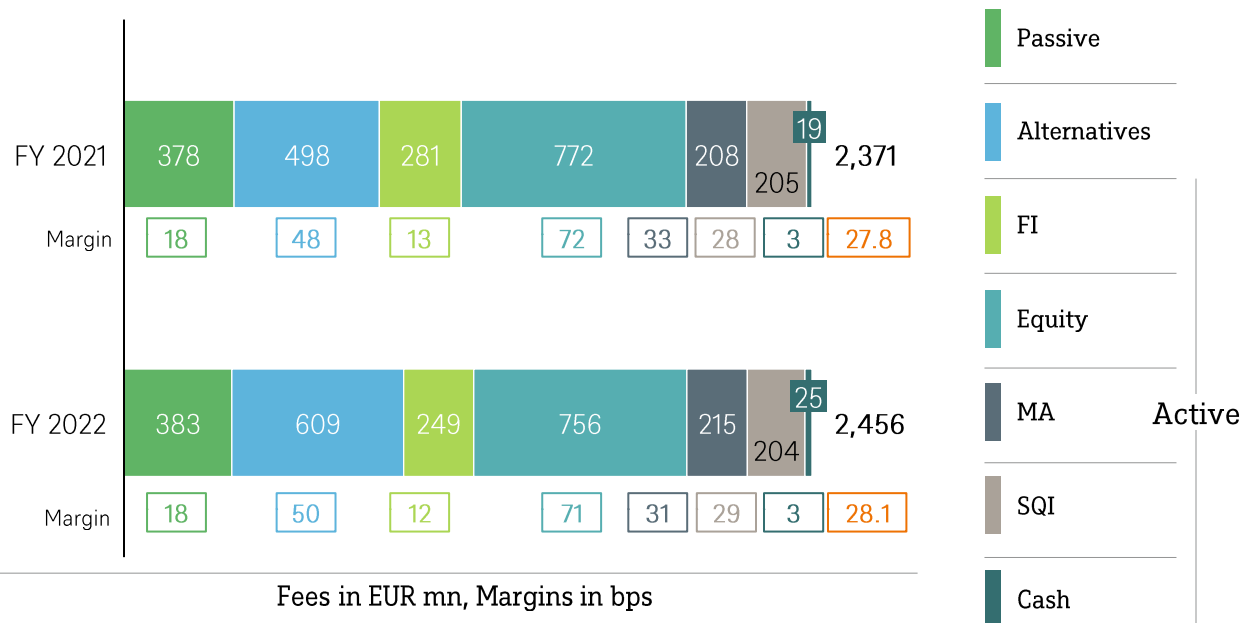
Management fees and margin development

Management fees increased 4 percent vs 2021 driven by Xtrackers and Alternatives

FY Highlights

- Overall management fee margin increased by 0.3bps to 28.1bps y-o-y
- Alternative management fees grew significantly by 22% y-o-y, due to strong inflows over the past two years and strong performance
- Passive fees slightly increased, mainly driven by favorable effects from 2021 flows and FX, which overcompensated the market decline and outflows in 2022
- Active Equity management fees decreased by (2%) y-o-y, primarily driven by market decline in 2022

Management fees and margin by asset class²



¹ Calculated by dividing the annualized management fees (considering the number of days in a specific quarter) for a period by average AuM for the same period

² Management fees and other recurring revenues, non-product related management fees of €15m in 2022 and €10m in 2021 excluded in asset class breakdown

Harvest Fund Management

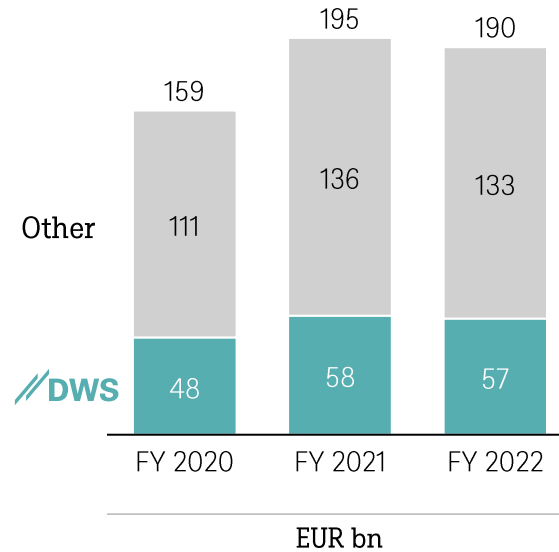
Strong performance and FX impacting AuM development



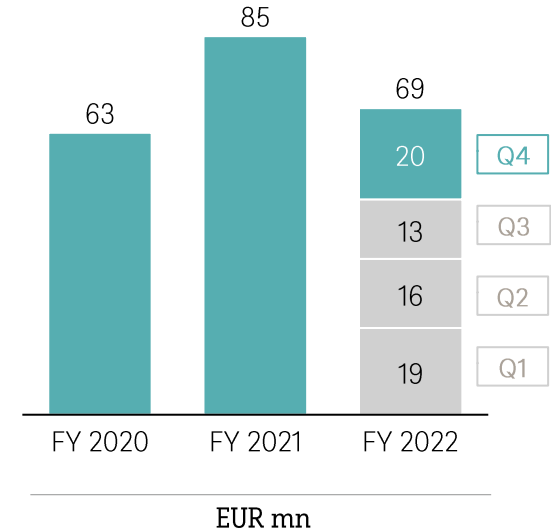
FY / Q4 Highlights

- Significant revenue contribution of €20mn in Q4 and €69mn in FY 2022
- Harvest's AuM of €190bn decreased by 4% in Q4 as a result of CNY depreciation against EUR, offset by net positive combined impact of flows and market movements

AuM development



Revenue contribution to DWS



Note: DWS holding 30% of HFM, Other shareholders: Lixin Investment 30%, China Credit Trust 40%

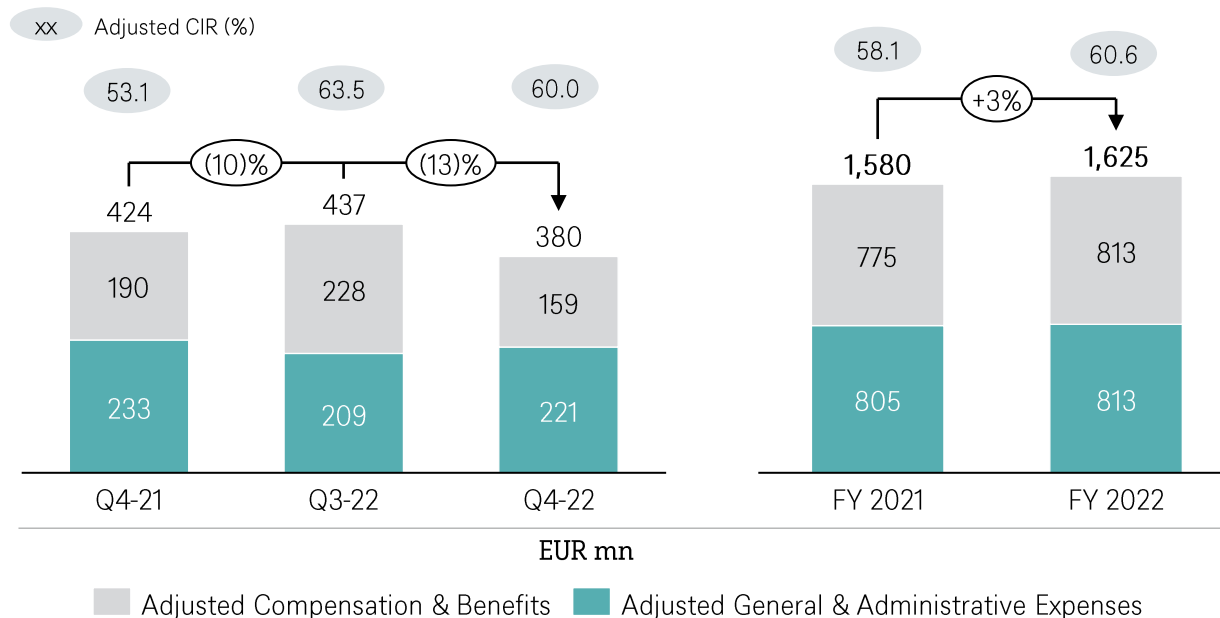
Cost development

Sustained cost discipline while benefiting from cost optimization initiatives

FY / Q4 Highlights

- Total adjusted costs of €380mn decreased by 13% q-o-q, mainly driven by the reversal of carried interest related to future Alternative performance fees
- Adjusted G&A was impacted by an increase in marketing spend and year-end activities
- The adjusted cost base excludes €17mn of investments into our infrastructure platform transformation in Q4 and other non-recurring expenses, notably an impairment of unamortized intangible assets of €68mn

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

Financial Outlook 2023

Growth and efficiency continue to drive shareholder value



2023 expected to be a transitional year

Adjusted CIR

– Adjusted CIR is expected to increase in 2023, but will stay below 65%

Revenues

– Adjusted revenues are expected to stay essentially flat vs. 2022

Flows

– We expect net flows to return to positive territory, driven by our growth areas of Passive and Alternatives

Note: Subject to geopolitical uncertainty and if economic conditions normalize

Strategic Outlook 2023

Fully focused on accelerating our strategy implementation



Our strategy to punch our weight: Disciplined portfolio optimization

Reduce

Re-allocating resources to priority growth areas

- Taking active action on cost base
- Selling sub-scale businesses: Private Equity Solutions, IKS platform

Value

Maintaining leadership in mature markets

- Cascading new organizational changes in key divisions
- Adjusting compensation framework to strengthen high performance culture

Growth

Expanding true areas of strength

- Senior hires to further drive Alternatives and European Transformation
- Developing a strong pipeline of targeted and bespoke Xtrackers products

Build

Seed-funding areas with high potential

- Defining scope to build new capabilities and become first mover
- Analysing potential targets and strategic partners in digital space

The background features a large, light gray triangle pointing towards the top right. Overlaid on this is a series of thin, parallel, light gray diagonal lines that run from the bottom left towards the top right, creating a textured effect.

Appendix

Our Financial Targets 2025

	2022	Guidance 2023	Refined Targets 2025
Earnings per share			EUR 4.50
Adjusted CIR	~60%	<65%	<59%
Xtrackers AuM Growth			>12% (CAGR 2022-2025)
Alternatives AuM Growth			>10% (CAGR 2022-2025)

Note: Targets 2025 assuming stable market conditions

Source: DWS Capital Markets Day 2022 on December 9, 2022

DWS financial performance



Profit & Loss and other key performance measures

In €mn, unless stated otherwise

	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021	Q4 2022 vs Q3 2022	Q4 2022 vs Q4 2021	FY 2022 vs FY 2021	
Profit & Loss	Management fees and other recurring revenues	593	626	630	2,456	2,371	(5)%	(6)%	4%
	Performance and transaction fees	30	38	126	125	212	(20)%	(76)%	(41)%
	Other revenues	40	26	40	131	138	58%	0%	(5)%
	Net revenues	663	689	797	2,712	2,720	(4)%	(17)%	0%
	Revenue adjustments	30	0	0	30	0			
	Adjusted revenues	634	689	797	2,683	2,720	(8)%	(21)%	-1%
	Adjusted Compensation & Benefits	(159)	(228)	(190)	(813)	(775)	(30)%	(16)%	5%
	Adjusted General & administrative expenses	(221)	(209)	(233)	(813)	(805)	6%	(5)%	1%
	Adjusted cost base	380	437	424	1,625	1,580	(13)%	(10)%	3%
	Severance & Restructuring	23	5	13	37	23	375%	85%	63%
	Impairment of goodwill and other intangible assets	68	0	0	68	0	N/A	N/A	N/A
	Transformational charges	17	19	9	58	30	(6)%	93%	91%
	Other cost adjustments	15	13	0	54	1	14%	N/M	N/M
	Total noninterest expenses	504	474	446	1,843	1,635	6%	13%	13%
	Profit before tax	159	215	352	869	1,086	(26)%	(55)%	(20)%
Adjusted profit before tax	254	252	373	1,057	1,140	1%	(32)%	(7)%	
Net income	111	147	260	599	782	(25)%	(57)%	(23)%	
Other Key Performance Measures	Reported CIR	76.0%	68.8%	55.9%	67.9%	60.1%	7.2 ppt	20.1 ppt	7.9 ppt
	Adjusted CIR	60.0%	63.5%	53.1%	60.6%	58.1%	(3.5) ppt	6.8 ppt	2.5 ppt
	FTE (#)	3,657	3,721	3,422	3,657	3,422	(2)%	7%	7%
	AuM (in €bn)	821	833	928	821	928	(1)%	(11)%	(11)%
	Net flows (in €bn)	(1.6)	7.7	15.0	(19.9)	47.7			
	Net flows ex Cash (in €bn)	(9.6)	(9.8)	7.9	(13.9)	41.7			
	Net flows (% of BoP AuM – annualized)	(0.8)%	3.7%	6.8%	(2.1)%	6.0%			
	Management fee margin (bps - annualized)	28.1	29.0	27.7	28.1	27.8			
	Earnings per share	N/A	N/A	N/A	2.99	3.90			(23)%

Historical net flows and AuM development



Net flow and AUM detail, €bn

	FY 2020	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Net flows by asset class							
Active Equity	1.8	(0.7)	0.3	0.7	(2.1)	0.3	(0.8)
Active Multi Asset	(1.8)	3.8	6.8	0.6	(0.5)	(1.0)	5.9
Active SQI ¹	(3.1)	2.3	(0.1)	0.4	(0.4)	(0.3)	(0.3)
Active Fixed Income	(6.8)	4.6	(2.7)	(0.1)	(4.1)	(5.2)	(12.2)
Active Cash	19.5	5.9	(6.8)	(24.8)	17.6	8.0	(6.0)
Passive	16.6	25.9	0.5	(3.3)	(3.8)	(0.5)	(7.1)
Alternatives	4.0	6.0	1.0	1.6	1.0	(2.9)	0.6
DWS Group	30.3	47.7	(1.0)	(25.0)	7.7	(1.6)	(19.9)

Net flows by region

Americas	8.8	7.5	(3.7)	(20.8)	17.4	(5.9)	(13.1)
EMEA excl. GY	12.1	15.7	(4.4)	(2.7)	(7.6)	5.2	(9.6)
Germany (GY)	7.5	24.3	8.5	(0.3)	(1.5)	(0.6)	6.1
Asia Pacific	1.9	0.1	(1.4)	(1.2)	(0.5)	(0.2)	(3.4)
DWS Group	30.3	47.7	(1.0)	(25.0)	7.7	(1.6)	(19.9)

Net flows by client channel

Retail	11.4	31.7	4.6	3.5	(5.9)	(2.2)	0.0
Institutional	18.9	16.0	(5.7)	(28.5)	13.6	0.6	(19.9)
DWS Group	30.3	47.7	(1.0)	(25.0)	7.7	(1.6)	(19.9)

Total net flows	30.3	47.7	(1.0)	(25.0)	7.7	(1.6)	(19.9)
FX	(26.1)	25.8	8.7	20.7	22.8	(30.4)	21.9
Markets	23.7	60.1	(33.3)	(65.1)	(31.1)	21.4	(108.2)
Other	(2.8)	1.5	0.4	0.2	0.6	(1.1)	0.1
Total change in AuM	25.1	135.0	(25.2)	(69.3)	0.0	(11.6)	(106.1)

	FY 2020	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
AuM by asset class							
Active Equity	97	116	112	102	97	99	99
Active Multi Asset	59	70	74	69	67	68	68
Active SQI ¹	69	77	72	66	64	64	64
Active Fixed Income	220	227	215	208	205	194	194
Active Cash	75	84	79	56	77	80	80
Passive	179	238	230	207	198	199	199
Alternatives	93	115	120	123	126	118	118
DWS Group	793	928	902	833	833	821	821

AuM by region

Americas	198	230	226	206	229	209	209
EMEA excl. GY	206	245	235	219	209	204	204
Germany (GY)	346	405	396	365	354	368	368
Asia Pacific	43	48	46	43	41	41	41
DWS Group	793	928	902	833	833	821	821

AuM by client channel

Retail	343	421	414	387	371	367	367
Institutional	449	507	489	446	463	454	454
DWS Group	793	928	902	833	833	821	821

¹ Systematic and Quantitative Investments

Q4 2022 detailed investment outperformance

Investment performance, in %¹

		1Y	3Y	5Y
Active Retail	Equity	60%	69%	74%
	Multi Asset ²	77%	23%	23%
	SQI ²	68%	50%	78%
	Fixed Income	40%	68%	73%
	Cash ²	0%	100%	100%
	Total		51%	70%
Active Institutional	Equity ²	64%	75%	54%
	Multi Asset	47%	44%	56%
	SQI	52%	71%	68%
	Fixed Income	63%	74%	79%
	Cash ²	52%	32%	77%
	Total		60%	70%
Active Total	Equity	61%	70%	72%
	Multi Asset	49%	43%	54%
	SQI	56%	66%	69%
	Fixed Income	60%	73%	78%
	Cash	32%	61%	87%
	Total		57%	70%
Alternatives	Direct Real Estate	90%	90%	92%
	Liquid Real Assets	9%	92%	81%
	Other Alternatives ²	61%	61%	61%
	Total		55%	88%
Total DWS		57%	73%	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 Dec 31, 2022, Direct Real Estate and Other Alternatives as of Sep 30, 2022)

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

Investor relations

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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. Based on the further evolution of the regulatory environment, we incorporated some refinements into the ESG Framework in the fourth quarter of 2022. Besides liquid passively managed funds (ETFs) which apply a screen comparable to the “DWS ESG Investment Standard” filter or have a “sustainable investment objective”, as well as other liquid passively managed funds which have been labelled as ESG and/or seek to adhere to an ESG investment strategy now also liquid passively managed funds (ETFs) which track indices that comply with the EU Benchmark regulation on EU Climate Transition Benchmark and EU Paris-Aligned Benchmark are considered as ESG. Further details will be published in our Annual Report 2022 which will be published on March 17, 2023 .

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 presentation 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/>.