3SBio (1530 HK)

ASCO 2026 takeaways: encouraging first mPFS readout for 707 in 1L PD-L1+ NSCLC

BUY (Maintain)

Target Price	**HK$34.87**
Up/Downside	**81.4%**
Current Price	**HK$19.23**

ASCO 2026 disclosed two abstracts for 707/ PF'4404 in 1L PD-L1+ NSCLC mono and 1L EC in combination with chemo. On a cross-trial basis, 707 demonstrated competitive mPFS versus ivonescimab in 1L NSCLC, with particular strength in the NSQ subgroup. 707 also showed encouraging ORRs in 1L EC, especially in pMMR patients. We continue to expect partner Pfizer's global trial execution and additional clinical readouts to be the main drivers of stock price upside for 3SBio.

- **First mPFS readout solidified 707 as a competitive candidate in 1L PD-L1+ NSCLC.** In the China Ph2 study in 1L PD-L1+ NSCLC, 707 mono (10 mg/kg Q3W) achieved mPFS of 12.4 months, slightly ahead of ivonescimab's 11.14 months reported in HARMONi-2 on a cross-trial basis. By subgroup, mPFS was 12.4 months in both PD-L1 high and NSQ patients (vs. ~11 months for ivonescimab). The PFS benefits of 707 and ivonescimab in PD-L1 low subgroup are largely at the same level (see Figure 1). In our view, the data support 707 as a highly competitive candidate in PD-(L)1/VEGF class. On safety, Gr3+ TRAEs rate was 42.2% across 83 patients in all dose subgroups, with Gr3+ irAEs and VEGF-related AEs were 8.4% and 18.1%, respectively. We note that this safety profile included higher-dose subgroups, including 20 mg/kg and 30 mg/kg Q3W, limiting direct cross-trial comparison. In the 10 mg cohort previously presented at ASCO 2025, Gr3+ TRAEs rate was 23.5%, versus 29.4% for ivonescimab in HARMONi-2, suggesting a favorable safety profile at the intended dose.
- **Encouraging preliminary 1L EC data.** The preliminary data for 707 + chemo in 1L EC were encouraging, especially in pMMR patients, who account for ~70% of EC and typically derive less benefit from immunotherapy. In pMMR EC, the 5mg and 10mg subgroups of 707 achieved cORRs of 83.3% and 81.8%, respectively, versus 72.3% for the current SOC of pembrolizumab + chemo on a cross-trial basis. Gr3+ TRAEs rate was 68.8% across 32 patients in both dose subgroups which was broadly manageable. Notably, Pfizer has already registered a global Ph3 study in 1L pMMR EC.
- **Pfizer's strong clinical execution and further readouts should continue to be a key driver for 3Sbio.** Pfizer has registered eleven global studies for 707, including three global Ph3 studies across four 1L indications. Notably, Pfizer also plans to initiate a global Ph3 trial for 707+PADCEV (Nectin-4 ADC) in 1L UC in 2026E. Looking ahead, we expect additional China Ph2 readouts of 707+chemo in 1L NSCLC and mCRC in 2H26E, which could serve as near-term catalysts.
- **Maintain BUY**. We view the ASCO 2026 data for 707 as encouraging and reiterate our positive view on its global potential. We maintain our target price unchanged at HK$34.87 based on a 10-year DCF model (WACC: 10.11%, terminal growth rate: 2.0%).

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	9,108	17,696	9,170	9,168	10,090
YoY growth (%)	16.5	94.3	(48.2)	(0.0)	10.1
Net profit (RMB mn)	2,090	8,482	1,898	1,616	1,815
5 YoY growth (%)	34.9	305.8	(77.6)	(14.8)	12.3
EPS (Reported) (RMB)	0.86	3.51	0.75	0.64	0.72
P/E (x)	19.3	4.8	22.3	26.2	23.3
Net gearing (%)	(13.1)	(51.1)	(53.3)	(54.3)	(55.4)

Source: Company data, Bloomberg, CMBIGM estimates

China Healthcare

Jill WU, CFA
(852) 3900 0842
jillwu@cmbi.com.hk

Cathy WANG
(852) 3916 1729
cathywang@cmbi.com.hk

Stock Data

Mkt Cap (HK$ mn)	48,805.8
Avg 3 mths t/o (HK$ mn)	701.8
52w High/Low (HK$)	35.90/18.62
Total Issued Shares (mn)	2538.0

Source: FactSet

Shareholding Structure

TMF (Cayman) Ltd.	22.8%
Decade Sunshine	19.6%

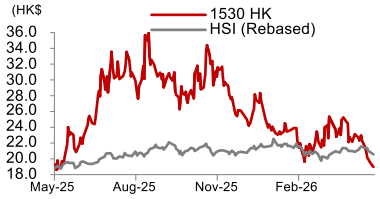
Source: HKEX

Share Performance

	Absolute	Relative
1-mth	-15.5%	-14.3%
3-mth	-14.7%	-10.8%
6-mth	-36.8%	-36.1%

Source: FactSet

12-mth Price Performance



Source: FactSet

Figure 1: Clinical data comparison of PD-(L)1/VEGF bispecific antibodies in 1L PD-L1+ NSCLC

	707	ivonescimab		BNT327 (PD-L1/VEGF)
Company	3Sbio/ Pfizer	Akeso/ Summit		BioNTech/ BMS
Phase	Ph II	Ph III		Ph I/II
Trial name	NCT06361927	NCT05499390 (HARMONi-2)		NCT05918445
N	83 (all dosage subgroups)	398		30 (NSQ: n=17 SQ: n=13)
dosing	10 mg/kg Q3W (n=34)	Experimental: 20 mg/kg Q3W ivonescimab (n=198)	Control: Pembrolizumab (n=200)	20 mg/kg Q2W
Median follow-up	15.2 mo	8.67 mo		NSQ: 16.0 mo SQ: 8.8 mo
mPFS subgroup	**12.4 mo** PD-L1 HIGH: 12.4 mo (n=13) PD-L1 LOW: 9.6 mo (n=21) ; NSQ: 12.4 mo (n=22) SQ: 8.9 mo (n=12)	**11.14 mo, PFS HR=0.51 (P＜0.0001)** PD-L1 HIGH: ~11 mo (n=13) PD-L1 LOW: ~9 mo (n=21) ; NSQ: ~11.1 mo (n=22) SQ: ~9.7 mo (n=12)	5.82 mo	NSQ: 13.6 mo
ORR subgroup	**cORR=67.6%** PD-L1 HIGH: 76.9% (n=13) PD-L1 LOW: 61.9% (n=21) ; NSQ: 63.6% (n=22) SQ: 75.0% (n=12)	50.0%	38.5%	uORR=53.3% NSQ: uORR=47.1% (PD-L1 HIGH: uORR=50.0% (n = 8) PD-L1 LOW: uORR=44.4% (n = 9) ; SQ: uORR=61.5% (PD-L1 HIGH: uORR=71.4% (n = 7) PD-L1 LOW: uORR=50.0% (n = 6)
TRAE	97.1%	89.8%	81.9%	-
TRAE (Gr3+)	23.5% (ASCO 2026公布更新数据，所有剂量组83例患者中，Gr3+ TRAE 42.2%，其中ir-related Gr3+ AE 8.4%，VEGF-related Gr3+ AE 18.1%)	29.4%	15.6%	40.0%
Reference	Link	Link		Link

Source：3Sbio, ASCO 2026, Akeso, BioNTech, CMBIGM

Figure 2: Clinical data comparison in 1L advanced/ recurrent EC

	707 (PD-1/VEGF)	Pembrolizumab (PD-1)*		HB0025 (PD-L1/VEGF)
Company	3Sbio/ Pfizer	MSD		BioNTech/ BMS
Dosing group	707 with chemo	Pembrolizumab with chemo		华奥泰
Phase	Ph II	Ph III		Ph II
Trial name	NCT06522828	NCT03914612		NCT06758557
N	32 (pMMR: n=26, dMMR: n=6)	810 (pMMR: n=588, dMMR: n=222)		39
dosing	707 5mg/kg Q3W+paclitaxel + carboplatin: n=14 (pMMR n=12, dMMR n=2) 707 10 mg/kg Q3W+paclitaxel + carboplatin: n=15 (pMMR n=11, dMMR n=4)	Experimental: Pembrolizumab Q3W with paclitaxel + carboplatin n=404 (pMMR cohort: n=294 dMMR cohort: n=110)	Control: Placebo+paclitaxel + carboplatin n=406 (pMMR cohort: n=294 dMMR cohort: n=112)	HB0025 20mg/kg Q3W+paclitaxel + carboplatin
Median follow-up	-	Interim analysis: MMR cohort: 10.0 mo; dMMR cohort: 14.4 mo Ad Hoc analysis: MMR cohort: 20.8 mo; dMMR cohort: 22.5 mo		3.3 mo
mPFS subgroup	-	pMMR cohort: 19.5 mo (HR=0.64) dMMR cohort: NR (HR=0.45)	pMMR cohort: 11.0 mo dMMR cohort: 14.1 mo	-
ORR subgroup	**5mg/kg Q3W: cORR=85.7%** (**5mg pMMR: cORR=83.3%,** dMMR: cORR=100%) **10mg/kg Q3W: cORR=80.0%** (**10mg pMMR: cORR=81.8%** uORR=90.9%, dMMR: cORR=75.0% uORR=100%)	**pMMR cohort: ORR=72.3%** dMMR cohort: ORR=82.1%	**pMMR cohort: ORR=59.0%** dMMR cohort: ORR=71.6%	**ORR=83.9%** (**pMMR cohort: ORR=84.0%** dMMR cohort: ORR=100%)
TRAE	93.8%	96.9%	96.1%	-
TRAE (Gr3+)	68.8% (TRAE led to discontinuation in 2 pts (6.3%) , irAE: 18.8%, VEGF-related AE: 40.6%	49.9%	34.0%	46.2% (No TRAE led to treatment discontinuation or death, irAE: 5.1%)
Reference	Link	Link		Link

Source：3Sbio, ASCO 2026, Pharmcube, CMBIGM

* mPFS results were based on interim analysis assessed by BICR, while ORRs and safety profiles were based on Ad Hoc analysis assessed by investigators.

Figure 3: Registered global clinical trials of 707

Clinical stage ((Estimated)Study start)	Primary Completion (Estimated)	Indication	Enrollment (Estimated)	Regimen	Primary endpoints	ClinicalTrials.gov ID
III 期 (2026.1.6)	**2029.02.27**	**联合化疗 1L NSCLC (Part 1: sq, Part 2: nsq) (Symbiotic-Lung-01)**	**1500 (700 for sq, 800 for nsq)**	**PF'4404 (10mg/kg Q3W) + Chemo vs Keytruda + Chemo**	**Dual Primary endpoints: PFS, OS**	**NCT07222566**
III 期 (2025.12.11)	**2030.03.29**	**联合化疗 1L mCRC (Non-MSI-H 或 pMMR) (Symbiotic-GI-03)**	**800**	**PF'4404 (10mg/kg Q2W) + Chemo vs BEVACIZUMAB + Chemo**	**Dual Primary endpoints: PFS, OS**	**NCT07222800**
III 期 (2026.10.9)	**2029.6.1**	**联合化疗 1L pMMR EC (Symbiotic-GYN-18)**	**600**	**PF'4404 + Chemo vs Keytruda + Chemo**	**Primary endpoints: PFS**	**NCT07578649**
II/III 期 (2025.12.9)	**2030.06.14**	**联合化疗 1L ES-SCLC (Symbiotic-Lung-04)**	**Ph2 (40), Ph3 (500)**	**PF'4404 + Chemo vs Atezolizumab + Chemo**	**Primary endpoints of Ph3: OS**	**NCT07226999**
II/III 期 (2026.3.2)	**2032.07.22**	**联合化疗 1L 胃癌、胃食管交界处癌或食管腺癌**	**840**	**Ph3: PF'4404 + Chemo vs Nivolumab + Chemo**	**Ph3 Dual Primary endpoints: PFS, OS**	**NCT07392892**
II 期 (2026.4.1)	2028.8.4	1）联合化疗用于 II 期或 IIIA/B 期 NSCLC 的新辅助治疗，2）已接受过新辅助免疫化疗并完成手术、但术后病理分析显示未达到 pCR 的 II 期或 IIIA/B 期 NSCLC 成年患者，3）单药用于不可手术的 II 期或 IIIA/B 期 NSCLC 成年患者 (Symbiotic-Lung-10)	120	PF'4404/ PF'4404+ Chemo	Primary endpoints: AEs，pCR rate	NCT07489066
II 期 (2026.5.15)	2028.3.19	联合化疗 1L 治疗 T-SCLC (Symbiotic-Lung-14)	40	PF'4404 + Chemo	Primary endpoints: ORR、AEs	NCT07476287
Ib/II 期 (2026.2.10)	2027.11.02	单药或联合 2 种其他药物 1L 治疗局部晚期或转移性肾细胞癌 (la/mRCC) (Symbiotic-GU-08)	224	Monotherapy or + other 2 drugs	Primary endpoints: ORR、AEs&SAEs、DLT	NCT07227415
Ib/II 期 (2026.1.30)	2029.03.08	联合其他药物治疗 NSCLC（包括联合 SV(IB6 ADC) 1L 治疗 NSCLC） (Symbiotic-Lung-20)	162	Part A: + SV Part B: + other anticancer agent	Primary endpoints: ORR、AEs&SAEs、DLT	NCT07227298
Ib/II 期 (2025.12.1)	2027.10.18	单药或联合伊匹木单抗治疗局部晚期或转移性肝细胞癌（la/mHCC) (Symbiotic-GI-13)	138	Monotherapy or + ipilimumab	Primary endpoints: ORR、AEs&SAEs、DLT、Recommended dose of PF'4404 in combination with ipilimumab	NCT07227012
Ib/II 期 (2026.2.27)	2027.12.06	单药治疗既往接受过治疗的 LA/mUC; 联合 PADCEV 1L LA/mUC (Symbiotic-GU-06)	132	Monotherapy or + PADCEV	Primary endpoints: ORR、AEs&SAEs、DLT	NCT07421700

Source: ClinicalTrial.gov, CMBIGM estimates

Figure 4: Risk-adjusted DCF valuation

DCF Valuation (in RMB mn)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
EBIT	1,973	1,641	1,885	2,180	2,857	4,027	5,714	7,606	9,748	12,046
Tax rate	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
EBIT*(1-tax rate)	1,677	1,395	1,602	1,853	2,429	3,423	4,857	6,465	8,286	10,239
+ D&A	390	400	410	420	428	437	445	453	460	467
- Change in working capital	111	-56	-113	-148	-186	-214	-211	-90	-95	-102
- Capex	-600	-600	-600	-600	-600	-600	-600	-600	-600	-600
FCFF	**1,579**	**1,140**	**1,299**	**1,524**	**2,071**	**3,046**	**4,490**	**6,227**	**8,050**	**10,004**
Terminal value										**125,760**

Terminal growth rate	**2.00%**
WACC	**10.11%**
Cost of Equity	13.50%
Cost of Debt	4.50%
Equity Beta	1.00
Risk Free Rate	3.00%
Market Risk Premium	10.50%
Target Debt to Asset ratio	35.00%
Effective Corporate Tax Rate	15.00%
Terminal value (RMB mn)	47,987
Total PV (RMB mn)	**67,728**
Net debt (RMB mn)	-15,209
Minority interests (RMB mn)	3,278
Equity value (RMB mn)	**79,659**
Equity value (HK$ mn)	**88,510**
# of shares (mn)	2,538
Price per share (HK$ per share)	**34.87**

Source: CMBIGM estimates

Figure 5: Sensitivity analysis

		WACC				
		9.11%	**9.61%**	**10.11%**	**10.61%**	**11.11%**
Terminal growth rate	**3.00%**	45.27	41.38	38.06	35.21	32.73
	2.50%	42.80	39.34	36.36	33.78	31.52
	2.00%	40.67	37.57	**34.87**	32.52	30.44
	1.50%	38.83	36.02	33.56	31.39	29.47
	1.00%	37.21	34.65	32.39	30.38	28.60

Source: CMBIGM estimates

Figure 6: CMBIGM estimates vs consensus

	CMBIGM			Consensus			Diff (%)		
RMB mn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	9,170	9,168	10,090	10,332	11,040	11,830	-11.2%	-17.0%	-14.7%
Gross profit	7,798	7,614	8,421	9,019	9,544	10,168	-13.5%	-20.2%	-17.2%
Operating profit	2,355	2,015	2,252	3,206	3,236	3,557	-26.5%	-37.7%	-36.7%
Attributable net profit	1,898	1,616	1,815	2,927	3,064	3,199	-35.1%	-47.2%	-43.3%
EPS (RMB)	0.75	0.64	0.72	1.07	1.13	1.19	-30.3%	-43.5%	-39.9%
Gross margin	85.04%	83.05%	83.46%	87.29%	86.45%	85.95%	-2.26ppt	-3.4ppt	-2.49ppt
Operating margin	25.68%	21.98%	22.31%	31.03%	29.31%	30.07%	-5.35ppt	-7.33ppt	-7.75ppt
Net margin	20.70%	17.63%	17.99%	28.33%	27.75%	27.04%	-7.63ppt	-10.12ppt	-9.06ppt

Source: Company data, Bloomberg, CMBIGM estimates

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**7,816**	**9,108**	**17,696**	**9,170**	**9,168**	**10,090**
Cost of goods sold	(1,174)	(1,280)	(1,348)	(1,372)	(1,554)	(1,669)
Gross profit	**6,642**	**7,828**	**16,347**	**7,798**	**7,614**	**8,421**
Selling expense	(3,006)	(3,351)	(3,631)	(3,388)	(3,556)	(3,979)
Admin expense	(481)	(502)	(651)	(525)	(536)	(587)
R&D expense	(795)	(1,327)	(1,520)	(1,948)	(1,932)	(2,038)
Others	(139)	(89)	381	419	425	434
Operating profit	**2,221**	**2,560**	**10,926**	**2,355**	**2,015**	**2,252**
Share of (losses)/profits of associates/JV	(30)	349	(102)	0	0	0
Net Interest income/(expense)	**(212)**	**(191)**	**(76)**	**(64)**	**(49)**	**(34)**
Pre-tax profit	**1,978**	**2,718**	**10,748**	**2,292**	**1,966**	**2,218**
Income tax	(392)	(501)	(1,652)	(344)	(295)	(333)
Minority interest	37	127	614	50	55	70
Attributable net profit	**1,549**	**2,090**	**8,482**	**1,898**	**1,616**	**1,815**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**9,193**	**9,347**	**22,671**	**23,131**	**23,705**	**24,332**
Cash & equivalents	2,611	2,143	12,177	12,970	13,335	13,797
Account receivables	1,095	1,305	1,082	618	618	680
Inventories	778	795	1,048	926	1,037	1,099
Prepayment	1,132	741	811	1,063	1,162	1,202
Financial assets at FVTPL	3,303	3,769	3,858	3,858	3,858	3,858
Other current assets	274	594	3,696	3,696	3,696	3,696
Non-current assets	**14,432**	**14,866**	**13,580**	**13,775**	**13,960**	**14,135**
PP&E	4,692	4,993	4,994	5,224	5,443	5,651
Intangibles	1,554	1,685	1,765	1,749	1,733	1,717
Goodwill	4,199	4,253	4,172	4,172	4,172	4,172
Other non-current assets	3,986	3,935	2,649	2,630	2,612	2,595
Total assets	**23,625**	**24,213**	**36,250**	**36,906**	**37,665**	**38,468**
Current liabilities	**3,728**	**5,464**	**4,416**	**3,695**	**3,348**	**2,900**
Short-term borrowings	2,112	2,244	1,831	1,331	831	331
Account payables	212	180	245	93	105	113
Tax payable	33	50	172	172	172	172
Other current liabilities	1,371	2,990	2,169	2,100	2,241	2,285
Non-current liabilities	**3,384**	**713**	**1,398**	**1,398**	**1,398**	**1,398**
Long-term borrowings	1,463	38	723	723	723	723
Bond payables	1,226	0	0	0	0	0
Deferred income	412	390	374	374	374	374
Other non-current liabilities	283	285	301	301	301	301
Total liabilities	**7,111**	**6,176**	**5,814**	**5,093**	**4,746**	**4,299**
Share capital	0	0	0	0	0	0
Other reserves	10,752	12,942	21,667	22,994	24,045	25,224
Others	3,282	2,494	5,541	5,541	5,541	5,541
Total shareholders equity	**14,034**	**15,436**	**27,208**	**28,535**	**29,586**	**30,765**
Minority interest	2,480	2,600	3,228	3,278	3,333	3,403
Total equity and liabilities	**23,625**	**24,213**	**36,250**	**36,906**	**37,665**	**38,468**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**1,978**	**2,718**	**10,748**	**2,292**	**1,966**	**2,218**
Depreciation & amortization	351	413	543	390	400	410
Tax paid	(471)	(506)	(1,652)	(344)	(295)	(333)
Change in working capital	(162)	566	103	111	(56)	(113)
Others	386	11	(111)	(240)	(262)	(286)
Net cash from operations	**2,083**	**3,201**	**9,630**	**2,209**	**1,754**	**1,897**
Investing						
Capital expenditure	(704)	(963)	(600)	(600)	(600)	(600)
Others	(641)	(394)	304	318	325	334
Net cash from investing	**(1,345)**	**(1,358)**	**(296)**	**(282)**	**(275)**	**(266)**
Financing						
Dividend paid	(225)	(555)	(571)	(571)	(566)	(635)
Net borrowings	1,188	(1,264)	(500)	(500)	(500)	(500)
Others	(1,316)	(434)	2,182	(64)	(49)	(34)
Net cash from financing	**(353)**	**(2,253)**	**1,111**	**(1,135)**	**(1,114)**	**(1,169)**
Net change in cash						
Cash at the beginning of the year	2,152	2,611	2,143	12,177	12,970	13,335
Exchange difference	75	(59)	0	0	0	0
Cash at the end of the year	**2,611**	**2,143**	**12,588**	**12,970**	**13,335**	**13,797**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	13.8%	16.5%	94.3%	(48.2%)	(0.0%)	10.1%
Gross profit	17.1%	17.9%	108.8%	(52.3%)	(2.4%)	10.6%
Operating profit	(8.1%)	15.3%	326.8%	(78.4%)	(14.5%)	11.8%
Net profit	(19.1%)	34.9%	305.8%	(77.6%)	(14.8%)	12.3%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	85.0%	86.0%	92.4%	85.0%	83.0%	83.5%
Operating margin	28.4%	28.1%	61.7%	25.7%	22.0%	22.3%
Return on equity (ROE)	11.5%	14.2%	39.8%	6.8%	5.6%	6.0%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Net debt to equity (x)	(0.0)	(0.1)	(0.5)	(0.5)	(0.5)	(0.6)
Current ratio (x)	2.5	1.7	5.1	6.3	7.1	8.4
Receivable turnover days	56.2	48.1	24.6	24.6	24.6	24.6
Inventory turnover days	231.6	224.3	249.4	246.4	243.4	240.4
Payable turnover days	71.7	55.9	57.4	57.4	57.4	57.4

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	26.3	19.3	4.8	22.3	26.2	23.3
P/E (diluted)	26.7	19.7	4.9	22.3	26.2	23.3
P/B	2.5	2.2	1.3	1.3	1.3	1.2
Div yield (%)	1.3	1.3	1.4	1.3	1.3	1.5

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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CMB International Global Markets Limited

Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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