

The Microsoft partner ecosystem

Market Research · September 2026

Half a million partners, three distinct sub-ecosystems and 316 verified partner-firm acquisitions. the headline count is unusable; the Dynamics and Azure channels inside it are where the deals are.

Now, for tomorrow

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Executive Summary

Microsoft's 500,000-plus partner figure is the least usable number in enterprise software, and treating it as a market size is the single most common error in this ecosystem. It counts every partner type including free registrants across an aggregate program, and the partner economy underneath it behaves as three separate markets: a Dynamics channel of roughly 1,400 specialists already a quarter consolidated, an Azure services channel inside the aggregate where 106 deals have closed and consolidation is live, and a Microsoft 365 productivity-resale layer that prices at the bottom of the range. An acquirer should never buy "a Microsoft partner". It should decide which of the three sub-ecosystems it is buying into, because they differ in phase, in buyer set and by several turns of EBITDA.

500,000+

AGGREGATE PROGRAM PARTNERS

AI Cloud Partner Program, March 2025 — all types including registrants. Not a services-firm count.

~1,400

DYNAMICS-FOCUSED SPECIALISTS

The services-only denominator that matters, against 210 verified deals — roughly 15% of the channel bought.

316

VERIFIED DEALS, 2015–25

210 in Dynamics plus 106 in Azure — the largest verified partner-deal count of any single vendor.

8.63x

DYNAMICS PARTNER EBITDA MEDIAN

On 1.06x revenue — below the 10.4x IT-services median. Mix, not logo, sets the price.

Maturity / late gate

LIFECYCLE PHASE

Dynamics in deep consolidation; Azure in late gate with consolidation live.

PE-owned

DOMINANT DYNAMICS MODEL

Waterland, FSN, Bain and Court Square each stand behind a named Dynamics platform.

20% → 3%

MARKETPLACE TAKE RATE

Resale margin of 15–25% now competes with a 3% listing fee. Resale is no longer a value pool.

9.5x

TOP OF THE CONCENTRATION BAND

Low client and vendor concentration pushes Microsoft-ecosystem firms to the higher end.

Sources: Microsoft AI Cloud Partner Program (March 2025 snapshot); Aventis Advisors, 1,364 verified partner-firm acquisitions across eighteen ecosystems 2015–2025 (Microsoft Dynamics 210, Microsoft Azure 106); Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026). Program counts carry a number, a program or directory, a snapshot date and a source, or they are unusable.

Scope & Definition

The unit of analysis is the partner firm: a distinct legal entity holding a verified Microsoft relationship that earns revenue from resale, services or software built on the platform. Microsoft licence and Azure consumption revenue is out of scope. Because Microsoft publishes one aggregate number across every partner type, this section splits the ecosystem into the three sub-populations that behave differently, and states plainly which figures are comparable with other vendors and which are not.

One program, three partner markets

Verified deals 2015–2025 against the relevant denominator

Dynamics 365

~1,400

specialist services firms

210 deals

~15% of the channel bought

MATURITY, DEEP CONSOLIDATION

Azure

n.d.

services subset not published

106 deals

<0.1% of the aggregate program

LATE GATE, CONSOLIDATION LIVE

Microsoft 365

Bulk

of the 500,000+ population

7.8x

EBITDA — the reseller floor

MATURITY, PRODUCTIVITY RESALE

WHY THE AGGREGATE IS UNUSABLE

The 500,000-plus figure mixes free registrants, pure resellers, ISVs and certified services firms, and the ten global system integrators appear inside it alongside every other vendor's program. Summed with other vendors' headlines it produces the 800,000-partner figure that multiply-counts the GSIs more than a dozen times.

In scope, by partner function

Distributors and VADs (TD SYNNEX, Ingram Micro, Arrow, Pax8); resellers and cloud solution providers; systems integrators; Dynamics and Azure implementation consultancies, **the prime buy-and-build target**; managed service partners; ISVs building on the platform; training partners; and licensing-optimization advisors.

Counting rules applied

- → **Never sum with other vendors.** Accenture, Deloitte, Cognizant, Infosys, IBM, Capgemini, TCS, Wipro, DXC and NTT DATA hold top-tier Microsoft status and top-tier status in nearly every other program at once.
- → **Three separate denominators.** Partner count (firms), partner capacity (certified individuals) and partner-attributed revenue are never interchangeable.
- → **Vendor-commissioned multipliers are cited, then discounted.** They are directional demand evidence, never a valuation input.

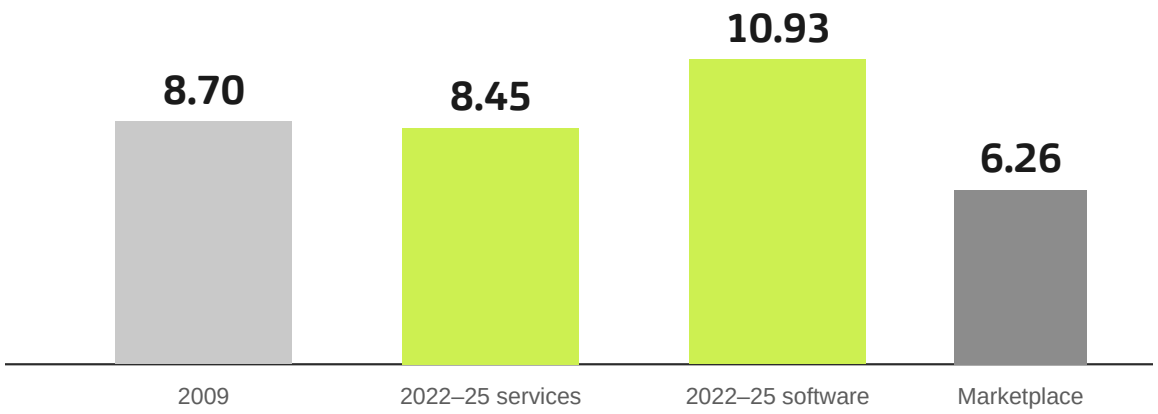
Sources: Microsoft AI Cloud Partner Program (March 2025); Dynamics specialist count (2025 snapshot); Aventis Advisors verified deal counts; Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026), verified partner-count reference table and standing methodological rules.

Size, Growth, Trends & Drivers

Microsoft publishes the largest partner-attributed revenue claims in the industry and they should be read as marketing. Citing IDC, Microsoft claims partners earn 8.45 dollars of services revenue and 10.93 dollars of software revenue for every dollar of Microsoft revenue, and an EY study commissioned by Microsoft put partner-related revenues at 1.2 trillion dollars in 2024. The methodology aggregates resale, services, software and referrals and divides by vendor revenue, which conflates independent economic activity with platform-attributable value. The tell is the stability: the same multiplier was 8.70 dollars in 2009. Fifteen years of radical platform change did not move it.

A multiplier that did not move in fifteen years

Claimed partner revenue per USD 1 of Microsoft revenue



USD 1.2 TRILLION

Microsoft partner-related revenue in 2024 on an EY study commissioned by Microsoft. Directional evidence that the partner economy exceeds licence revenue — not a measured quantity, and never a basis for valuing a firm.

Four drivers a partner firm can price

- **Marketplace transaction shift.** Microsoft cut its marketplace take rate from 20 percent to 3 percent and an Omdia study for Microsoft put channel-partner value at 6.26 dollars per dollar transacted via Marketplace. Margin moves from resale to co-sell influence and consumption optimisation.
- **Agentic AI and Copilot demand.** Gartner projects 40 percent of enterprise applications will carry task-specific AI agents by end-2026, from under 5 percent in 2025 — new implementation and agent-governance demand, and hour compression in the same motion.
- **Dynamics consolidation momentum.** With roughly 15 percent of a 1,400-firm channel already bought and PE behind every major platform, the remaining independents face a motivated, well-funded buyer list.
- **Regulatory gating.** Microsoft was named among the 19 Critical ICT Third-Party Providers designated under DORA in November 2025; regulated buyers now require documented third-party controls from their partners too.

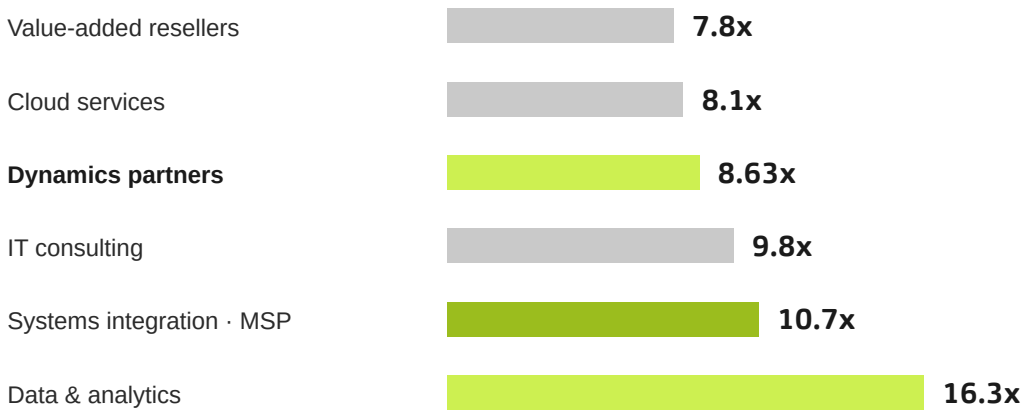
Sources: Microsoft partner-revenue multiplier figures citing IDC (8.45 services / 10.93 software; 8.70 in 2009); EY study commissioned by Microsoft (USD 1.2tn partner-related revenue, 2024); Omdia study for Microsoft (USD 6.26 per dollar transacted via Marketplace); Gartner agentic-AI projection; European Supervisory Authorities CTPP designations (18 November 2025); all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026).

Segmentation

Inside the Microsoft ecosystem the function ladder and the delivery model decide the price, not the badge. Productivity resale sits at the bottom of the platform-category ranking; Dynamics and Azure implementation sit in the middle at the systems-integration band; data, AI and IP-bearing firms sit at the top. The Microsoft-specific variable is concentration: because the ecosystem is broad enough for a firm to hold credible multi-workload capability, low client and vendor concentration pushes Microsoft-ecosystem firms toward the higher 9.5x EBITDA end of their band, while single-product resale specialists compress.

What each partner type is worth

EV / EBITDA, verified partner-firm transaction medians



THE MICROSOFT-SPECIFIC READ

Dynamics partners price 1.8 turns below the IT-services median of 10.4x.
The gap closes by adding data, AI and annuity — not by adding Dynamics seats.

Seven dimensions, applied

- → **Function.** Value rises from distribution and resale through SI and implementation to MSP and IP-rich ISV.
- → **Concentration.** A discount above 25–30 percent single-customer concentration and 1–2 turns above 35 percent; multi-workload Microsoft firms sit at the top of the band.
- → **Scale.** EBITDA medians rise from 6.7x below USD 5m enterprise value to 12.7x above USD 500m. Scale itself is worth six turns.
- → **Delivery geography.** Onshore go-to-market with offshore delivery is the dominant scaled model and sets the margin base.
- → **Vertical.** Regulated-vertical depth commands one to two turns; horizontal generalists do not.
- → **Recurring share.** The strongest single driver: pure-play MSPs are classed at 75-percent-plus recurring revenue and trade turns above identical-revenue peers.

Sources: Aventis Advisors subsector, scale and ecosystem-level transaction medians (Dynamics 1.06x revenue / 8.63x EBITDA; IT services median 1.1x / 10.4x); CompTIA MSP recurring-revenue classification; IT-services concentration-discount convention; all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026).

End-Users

Microsoft's partner channel serves the widest buyer spread of any ecosystem, from the regulated bank to the twenty-person firm buying Microsoft 365 through a marketplace, and the buyer profile decides what kind of partner firm is worth owning. Stated buying criteria are cost, functional fit and references; revealed criteria are risk reduction, legitimacy signalling, certified depth and speed to value. The gap is widest in the highest-risk buyers, who claim cost-consciousness and then pay a premium for the badge that de-risks a board decision.

Highest

Regulated enterprise

BFSI, healthcare, pharma, insurance. Cannot self-deliver because compliance, audit and sovereignty demand certified partners and documented controls. **Drives the onshore premium.**

Mandatory

Public sector & federal

Clearance, sovereignty and physical-presence certification make onshore delivery compulsory, creating a distinct and less contested buyer pool.

Programme

Large commercial

Retail, CPG, manufacturing, telecom. Cannot land multi-module Dynamics or Azure programmes to deadline in-house; hires GSIs and vertical specialists.

No bench

Mid-market

Holds no platform-specialist headcount at all. Buys fixed-fee predictability and single-throat-to-choke accountability from mid-market specialists.

Self-serve

SMB

Buys through resellers and marketplaces with light configuration, on simplicity and price. The most price-elastic and least defensible revenue in the channel.

Tier as a legitimacy signal

Partner tier matters inversely to buyer sophistication and directly to buyer risk. A bank weights the badge and the certification count heavily; an SMB ignores both. That asymmetry makes revenue mix by buyer profile a valuation input: regulated and federal revenue carries pricing power a mid-market reseller cannot replicate.

Pricing logic is moving

Value-based firms grew 8.7 percent against 2.1 percent for time-based, and McKinsey now earns about a quarter of its global fees from performance-based arrangements. Partner-firm retention benchmarks are not publicly disclosed with rigour; that gap is flagged, not filled.

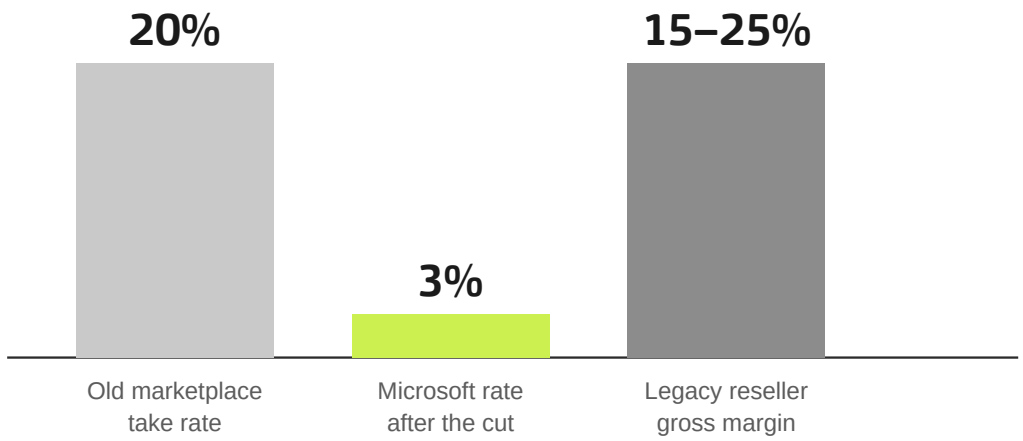
Sources: buying-criteria matrix and end-user profiles in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026); Deloitte 2025 Professional Services Benchmark (value-based 8.7% vs time-based 2.1% growth); McKinsey UK managing partner Michael Birshan, November 2025 London media briefing. Partner-firm retention benchmarks are not publicly disclosed with rigour; that gap is flagged, not filled.

Supplier Ecosystem

A Microsoft partner sits downstream of a supply chain it does not control, and every supplier in it is also, in at least one dimension, a competitor or a gatekeeper. Microsoft supplies the product, the certification, the co-sell pipeline and the marketplace rails, and none of the four can be second-sourced. That non-substitutability is why single-vendor concentration is simultaneously the dominant valuation discount and the dominant acquisition rationale. Below Microsoft, distributor economics are structurally thin and marketplace rails are absorbing the transaction.

The transaction layer repriced itself

Marketplace take rate and distributor operating margin



DISTRIBUTOR ECONOMICS BELOW IT

TD SYNNEX: 2.2% GAAP operating margin on USD 17.4bn Q4 FY25 revenue.
Ingram Micro: 1.6–2.5% margins on USD 52.56bn for 2025. Working capital, not IP.

Where bargaining power actually sits

- **Microsoft is supplier and competitor.** It controls the product, the exam, the pipeline and the gate while running its own services motion against the channel on the largest accounts. The asymmetry is permanent.
- **Certified talent is the binding constraint.** India's fresher intake collapsed from roughly 380,000 to roughly 120,000, and AI and ML skills drive above-inflation wage growth. Capacity now has to be bought, not hired.
- **Distribution is consolidating and thin.** Two scaled players at roughly 2 percent operating margins, each pushing partners onto proprietary platforms that capture the provisioning relationship.
- **Regulators supply legitimacy.** SOC 2, ISO 27001, FedRAMP, HIPAA, DORA and the EU AI Act gate market access; DORA carries fines up to 2 percent of worldwide turnover and the AI Act reaches full application in August 2026.

The internalisation play

Each supplier line is an acquisition target that converts a cost into a moat: buying offshore delivery insulates against wage inflation and visa cost, buying training internalises the capacity constraint, buying accelerators converts labour into licensable IP, and buying billing capability captures the recurring transaction rail.

Sources: TD SYNNEX Q4 FY2025 results (USD 17.4bn revenue, 2.2% GAAP operating margin); Ingram Micro FY2025 (USD 52.56bn net sales, 1.6–2.5% operating margin); Microsoft marketplace take-rate reduction from 20% to 3%; NASSCOM and Indian IT-sector wage and intake data; DORA and EU AI Act application dates; all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026).

Complementary & Substitute Solutions

Complements move a Microsoft partner off the project treadmill; substitutes remove the work altogether. The arithmetic on the complement side is simple: recurring managed-service revenue prices at roughly 6 to 8x EBITDA against 3.5 to 5x for project revenue, so the annuity is worth roughly twice the project. On the substitute side the central finding is narrower than the headlines suggest. Agentic AI substitutes for billable hours, not for the partner firm, and whoever owns both the automation and the accreditation absorbs the displaced work.

Complements, ranked by multiple effect

- **Data and analytics.** The highest-valued adjacency at 16.3x EBITDA median, ahead of cybersecurity services at 16.1x and roughly 2.1 times the reseller floor.
- **Managed-services wrap.** Attaching a support and optimisation retainer at go-live moves a firm from a reseller multiple toward the MSP median of roughly 8.9x.
- **Proprietary IP and accelerators.** Carry a software multiple rather than a services multiple, and are the fastest route out of the hourly model.
- **Agent management, governance and MCP integration.** Emerging billable categories precisely because enterprises deploying agents need supervision, audit and integration.

Substitutes, priced honestly

- **The captive GCC is the largest.** India hosts more than 1,700 global capability centres generating roughly 64.6bn dollars and employing 1.9 million people, heading toward 2,400 centres by 2030. It replaces recurring high-volume work, not spiky specialist work.
- **Microsoft's own services motion.** Wins the largest and most strategic accounts; uneconomic on the long tail.
- **Low-code and citizen development.** Substitutes for well-documented configuration; fails on complex integration, migration and regulated work.
- **Marketplace self-serve.** At a 1.5–3 percent fee it beats a field reseller motion for standardised SaaS, and moves the partner from reseller-of-record to advisor.

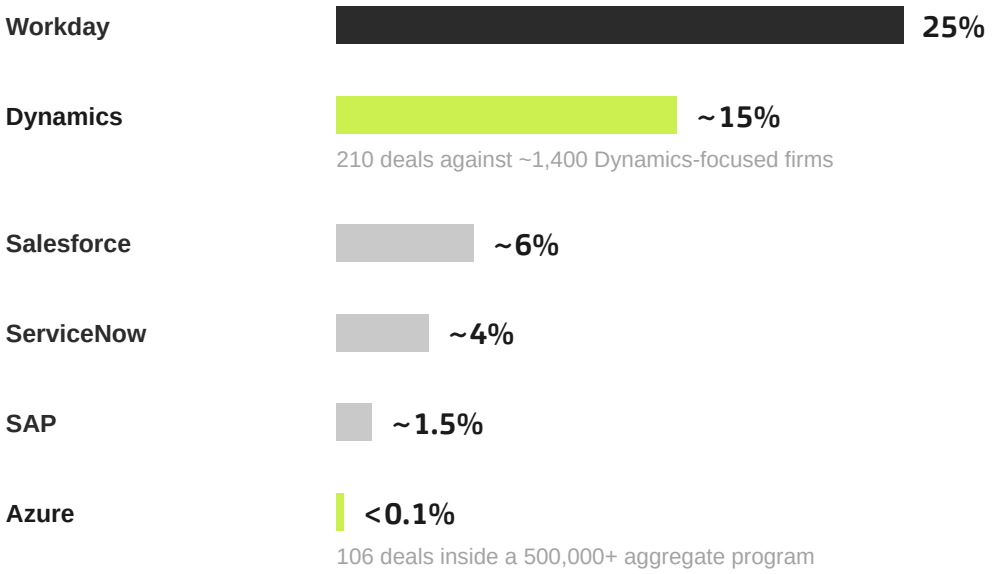
Sources: Aventis Advisors subsector multiples (data and analytics 16.3x, cybersecurity 16.1x, VAR 7.8x; MSP median 8.9x); Salt Creek Advisory recurring-vs-project pricing framework; NASSCOM FY24 GCC data; Gartner agentic-AI projections; hyperscaler marketplace fee data; all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026).

Competitive Landscape

Competition runs on two boards. Partner firms compete for Microsoft implementation demand, and acquirers compete for the partner firms — so the buy-side is itself a market, and in Dynamics it is the most developed buy-side in enterprise software. Private equity is the dominant ownership model there: Waterland behind 9altitudes, FSN behind Fellowmind, Bain behind HSO and Court Square behind Velosio. A selling owner in this ecosystem is not looking for a buyer. It is choosing between platforms that already know the asset.

How much of each channel is already bought

Verified deals as a share of the relevant program population, 2015–2025



The tighter the gate, the larger the share of the channel already bought.

Five acquirer archetypes

- **Global system integrators.** Accenture is the most prolific buyer in the sector at 201 verified acquisitions, median target revenue 32.7m dollars, with an FY26 acquisition-spend target near 9bn dollars. Strategics pay a median 9.8x EBITDA.
- **PE roll-up platforms.** The dominant Dynamics model. Buy sub-5m-EBITDA firms at 5–8x into platforms valued 10–14x; sponsors pay a median 11.5x and drove over 27 percent of deals.
- **Regional integrators and resellers.** CDW, Rackspace, SoftwareOne, Devoteam, Inetum, 3Cloud — both buyers and targets, hunting regional scale and managed-services annuity.
- **Vendor-adjacent specialists.** Firms owning the platform practice nearest their core function.
- **Frontier-AI services vehicles.** The newest class, buying AI-native delivery capacity and tiered lab accreditation at undisclosed scarcity premiums.

Sources: Aventis Advisors per-ecosystem verified deal counts and density (Dynamics 210 / ~1,400; Azure 106 inside 500,000+; Salesforce 197 / ~3,400; ServiceNow 97 / ~2,200–2,700; SAP 369 / ~24,000; Workday 38 / ~150), acquirer league table and sponsor-vs-strategic multiples; all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026). Denominators differ in scope.

Value Chain

Eight stages carry the work from Microsoft product to realised outcome, and margin is thin where the activity is pass-through and rich where it is IP-led or recurring. Resale, the bulk of the 500,000-partner population, is now the thinnest pool in the industry after the marketplace take-rate cut. Implementation, the stage most Microsoft partners are built around, is the most AI-exposed: the median private IT-services transaction fell to 8.8x EBITDA in late 2025 from 13.6x in 2023.

STAGE	REVENUE MODEL	WHO CAPTURES IT	AI COMPRESSION	MULTIPLE SIGNAL
Demand generation & co-sell	Referral / marketplace take	Microsoft keeps most	Low	Neutral — influence, not margin
Licence resale & provisioning	Pass-through margin	Distributor / reseller	High	**0.5x revenue · 7.8x EBITDA** — the floor
Advisory & architecture	T&M, fixed, outcome	IT consulting firm	Rising	**9.8x EBITDA**
Implementation & configuration	T&M, fixed fee	Systems integrator	Highest	**10.7x EBITDA · 1.1x revenue**
Integration & data engineering	Project plus recurring	Data & analytics firm	Medium	**16.3x EBITDA** — the ceiling
Managed services & run	Recurring subscription	MSP	Low	**10.7x, to 11.2x above USD 500m**
Optimisation, FinOps & compliance	Retainer	FinOps / cyber specialist	Low	**16.1x EBITDA** (cybersecurity)

The consolidator's instruction

Own the managed-services and optimisation stages. They carry recurring revenue, the lowest AI exposure, and they set the exit multiple. Treat resale as customer acquisition rather than a value pool, and advisory and data engineering as the defensible core.

Geography sets the base

EV/EBITDA medians run 11.2x in Asia, 10.9x in North America, 10.0x in Europe and 8.3x elsewhere, with emerging-market firms discounted for scaling and political risk. North America carries the largest median deal size at 73 to 85m dollars.

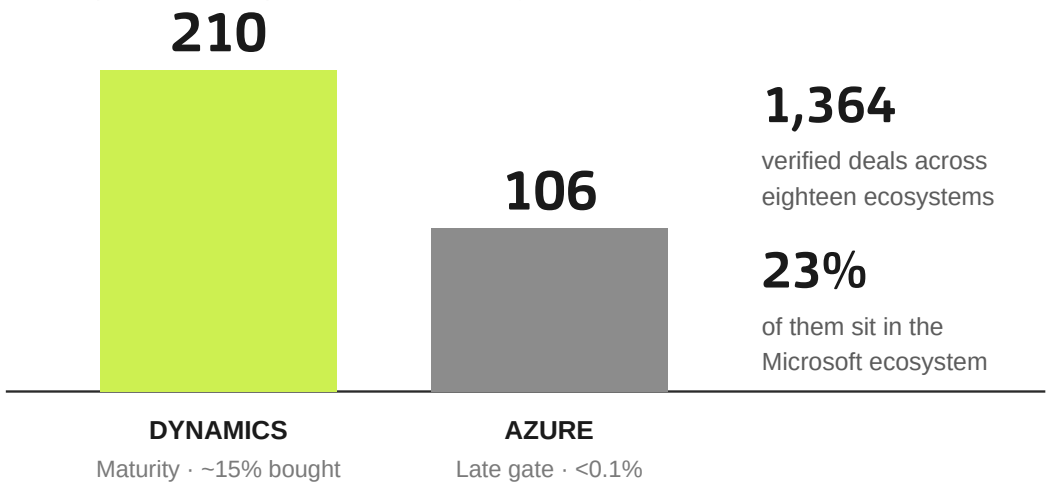
Sources: Aventis Advisors value-chain stage multiples, regional EV/EBITDA medians and the Q4 2025 median of 8.8x against a 2023 peak of 13.6x; hyperscaler marketplace take-rate data; all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026).

M&A Landscape

Microsoft accounts for 316 of the 1,364 verified partner-firm acquisitions between 2015 and 2025 — 210 in Dynamics and 106 in Azure — the largest verified deal count attached to any single vendor. The two sub-ecosystems read in opposite directions. Dynamics is a maturity market roughly 15 percent consolidated, where a seller meets a list of PE-backed platforms that are actively buying and where the sell-timing advice is to sell into a roll-up. Azure is a late-gate market where consolidation is live but density is below 0.1 percent, which means the buyer pipeline is deep and an owner has time — but only while certification stays scarce.

316 verified deals, split two ways

Verified partner-firm acquisitions 2015–2025, by sub-ecosystem



1,364
verified deals across eighteen ecosystems

23%
of them sit in the Microsoft ecosystem

SPONSOR PREMIUM

Financial sponsors drove over 27% of deals at 11.5x EBITDA and 1.3x revenue, against strategics at 9.8x and 1.0x. In Dynamics, PE is the default owner.

Five recurring deal theses

- → **Capability and certified-bench acquisition.** Scarce certified capacity cannot be hired at speed, so it is bought.
- → **Multiple arbitrage.** Sub-3m-dollar-EBITDA boutiques at 5–8x folded into platforms valued 10–14x. This is the engine of every Dynamics roll-up.
- → **Recurring-revenue conversion.** Attach managed services and IP, then sell the scaled annuity asset to a strategic.
- → **Diversification away from single-vendor concentration.** Buyers pay up for multi-platform top-tier accreditation, except where purity is itself the scarcity.
- → **Buying AI and IP to own the automation.** Accenture's Faculty, NeuraFlash, Keepler and RANGR Data run is the template the mid-market copies at smaller scale.

Sell-timing read

Dynamics: sell into a PE roll-up now. Deep consolidation, motivated platforms, and a channel whose independent count is falling. **Azure: time it, but build first.** The buyer pipeline is deep and consolidation is live, so a firm that adds managed services and FinOps before running a process captures the repricing rather than handing it to the acquirer.

Sources: Aventis Advisors, 1,364 verified partner-firm deals 2015–2025 (Microsoft Dynamics 210, Microsoft Azure 106), per-ecosystem density and sell-timing reads, sponsor-vs-strategic multiples, and the Accenture league-table data; all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026).

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Relevant Transactions & Takeaways

Prices are disclosed on a small minority of partner-firm deals — Accenture discloses on roughly 12 percent of its 201 — so the reference set below mixes named Microsoft-ecosystem platforms with the cross-ecosystem benchmarks that set the multiples. Read together, they show a market where sponsors own the platforms, strategics buy the exits, and the price is set by revenue mix rather than by which vendor's badge the firm holds.

PLATFORM / TRANSACTION	SPONSOR / ACQUIRER	ECOSYSTEM	VALUE / MULTIPLE	SIGNAL
9altitudes	Waterland	Dynamics	**n.d.**	PE-owned pan-European Dynamics platform — the default ownership model in this channel.
Fellowmind	FSN Capital	Dynamics	**n.d.**	Northern-European roll-up; geography added by acquisition rather than organically.
HSO	Bain Capital	Dynamics	**n.d.**	Large-cap sponsor at the top of the Dynamics platform set.
Velosio	Court Square	Dynamics	**n.d.**	North American platform; four named sponsors competing for the same target pool.
Perficient	EQT / GIC	Multi-platform	**~18.5x EBITDA**	2024 buyout; the benchmark for scaled multi-platform digital services. Estimate on disclosed reporting.
Sirius Computer Solutions	CDW	Infrastructure	**$2.5bn**	Reseller consolidation at scale — the exit route for the infrastructure-resale layer.

1 Pick the sub-ecosystem first

Dynamics, Azure and M365 differ by phase, buyer set and several turns. "A Microsoft partner" is not a target definition.

2 Buy Dynamics into a platform

Fifteen percent already bought and four named sponsors competing. Entry at 5–8x, platform value at 10–14x.

3 Build Azure annuity before selling

Density below 0.1 percent means time. Add FinOps and managed consumption and capture the repricing yourself.

4 Ignore the multipliers

The 8.45, 10.93 and 1.2tn figures are vendor-commissioned. Underwrite certified headcount and recurring share.

5 Discount pure resale

A 15–25 percent reseller margin now competes with a 3 percent marketplace fee. Resale is acquisition cost, not value.

Sources: Aventis Advisors named-deals reference table and Dynamics ownership map (Waterland / 9altitudes, FSN / Fellowmind, Bain / HSO, Court Square / Velosio); EQT and GIC's Perficient buyout at a reported ~18.5x EBITDA (estimate on disclosed reporting, not vendor-confirmed); CDW / Sirius Computer Solutions USD 2.5bn (2021); all as cited in Baker Tilly, *The Enterprise Software Partner Ecosystem* (Sept 2026). n.d. = value not disclosed.

Contact us

advisory@bakertilly.es

+34 946 42 41 42

www.techma.bakertilly.es

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