



15th Annual East Coast Ideas Conference

New York City

June 12, 2025

CECO ENVIRONMENTAL





Forward-looking statements and Non-GAAP information

This presentation contains forward-looking statements with predictions, projections and other statements about future events. These statements are made on the basis of management's views and assumptions regarding future events and business performance. We use words such as "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "will," "plan," "should" and similar expressions to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Potential risks and uncertainties, among others, that could cause actual results to differ materially are discussed under "Part I – Item 1A. Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and may be included in subsequently filed Quarterly Reports on Form 10-Q, and include, but are not limited to: the sensitivity of our business to economic and financial market conditions generally and economic conditions in our service areas; dependence on fixed price contracts and the risks associated therewith, including actual costs exceeding estimates and method of accounting for revenue; the effect of growth on our infrastructure, resources, and existing sales; the ability to expand operations in both new and existing markets; the potential for contract delay or cancellation as a result of on-going or worsening supply chain challenges; liabilities arising from faulty services or products that could result in significant professional or product liability, warranty, or other claims; changes in or developments with respect to any litigation or investigation; failure to meet timely completion or performance standards that could result in higher cost and reduced profits or, in some cases, losses on projects; the potential for fluctuations in prices for manufactured components and raw materials, including as a result of tariffs and surcharges and rising energy costs; inflationary pressures relating to rising raw material costs and the cost of labor; the substantial amount of debt incurred in connection with our strategic transactions and our ability to repay or refinance it or incur additional debt in the future; the impact of federal, state or local government regulations; our ability to repurchase shares of our common stock and the amounts and timing of repurchases, if any; our ability to successfully realize the expected benefits of our restructuring program; our ability to successfully identify and integrate acquired businesses and realize the synergies from strategic transactions; and the unpredictability and severity of catastrophic events, including cyber security threats, acts of terrorism or outbreak of war or hostilities or public health crises, as well as management's response to any of the aforementioned factors. Many of these risks are beyond management's ability to control or predict. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary in material aspects from those currently anticipated. Investors are cautioned not to place undue reliance on such forward-looking statements as they speak only to our views as of the date the statement is made. Except as required under the federal securities laws or the rules and regulations of the Securities and Exchange Commission, we undertake no obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise.

While we report our results in accordance with generally accepted accounting principles in the U.S. (GAAP), comments made during this conference call and these materials may include the following "non-GAAP" financial measures: organic revenue, non-GAAP gross profit, non-GAAP operating income, non-GAAP net income, adjusted EBITDA, adjusted free cash flow, adjusted net free cash flow, non-GAAP gross profit margin, non-GAAP operating margin, non-GAAP earnings per basic and diluted share, adjusted EBITDA margin and selected measures expressed on a constant currency basis. These measures are included to provide additional useful information regarding our financial results and are not a substitute for their comparable GAAP measures. Management believes that these measures provide individuals with additional information to better compare the Company's results over multiple periods. Explanations of these non-GAAP measures and reconciliations of these non-GAAP measures to their directly comparable GAAP measures, to the extent the reconciliation be performed without unreasonable efforts, are included in the accompanying "Appendix." Descriptions of many of these non-GAAP measures are also included in our SEC reports.

About CECO

CECO Environmental

Building The Leading, Global, Sustainable Industrial Environmental Solutions Company

Leading Businesses

- **Balanced, Niche Leadership Positions**
  - Industrial Air
  - Industrial Water (*new since 2020*)
  - Energy Transition
- **Global: ~ 50% of Orders Outside U.S.**
- **Strong Organic Growth**
  - Averaged 10%+ Organic Since 2021
  - Record Backlog Positions Us for Future

Sustainable Value Creation

- **Focused Capital Allocation Model**
  - Invest in Organic Growth / Expansion
  - Debt Management
  - Programmatic M&A
  - Stock Buybacks
- **Proven M&A Track Record**
  - ~ 50% of Acquisitions Doubled Sales within 24 months of Deal
- **Management Aligned w/ Shareholders**

Forbes 2024
AMERICA'S MOST SUCCESSFUL SMALL COMPANIES

<u>Programmatic M&A</u>
~ Dozen Strategic Deals Since mid-2020

CECO Environmental ... *Mission Critical ...*



We Protect People

Solving customer challenges to ensure their employees work in a safe and productive work environment



We Protect The Environment

We minimize our environmental impact and help our global customers do the same



We Protect Industrial Equipment and Improve Processes

We help maximize our customer's investment in their operating systems and optimize their output

CECO Environmental ... *Global Company To Serve Global Opportunities*



Global HQ: Dallas, TX

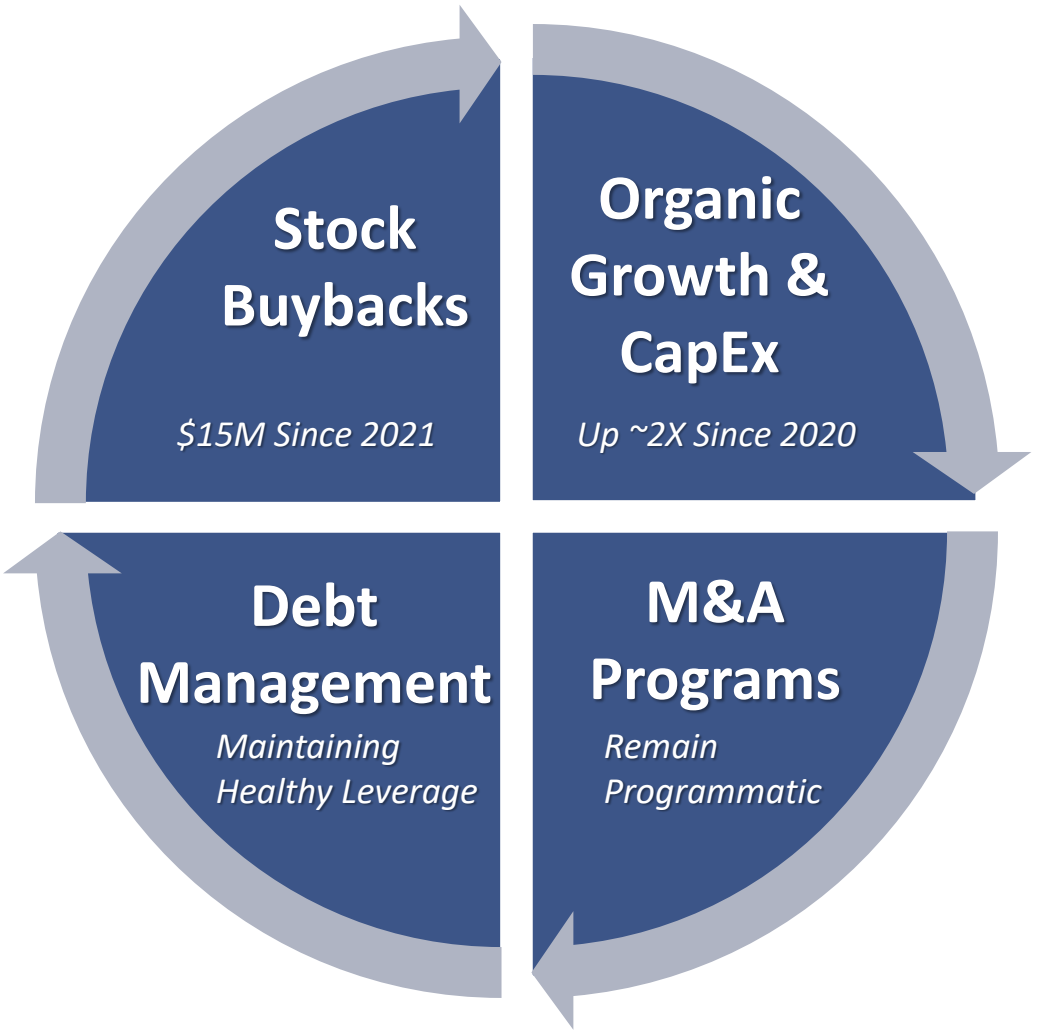
Sales, Engineering & Admin

Manufacturing & Assembly

- ~1,600 Employees worldwide
- ~40% Sales Outside of US

CECO Environmental ... *Focused Capital Deployment For Growth ...*

Capital Allocation Strategy



Investment Drivers

Organic Growth Programs / Investments

- Sales Team, Engineers and Project Managers
- CapEx: Biz. Growth, ERP Migration, Cybersecurity

M&A Transactions

- Active Pipeline ... Air / Water / Energy Transition
- Targeting ROIC > 25%

Debt Management

- Maintain a Healthy Balance Sheet
- New Credit Facility Expands Capacity

Stock Buybacks

- $15M repurchased since 2021 (avg. price ~ $8.20)
- $10M remaining on authorization

CECO Environmental ... *100% Providing Environmental Solutions for Industry*

100% Industrial End-Market

Diversified Industrials

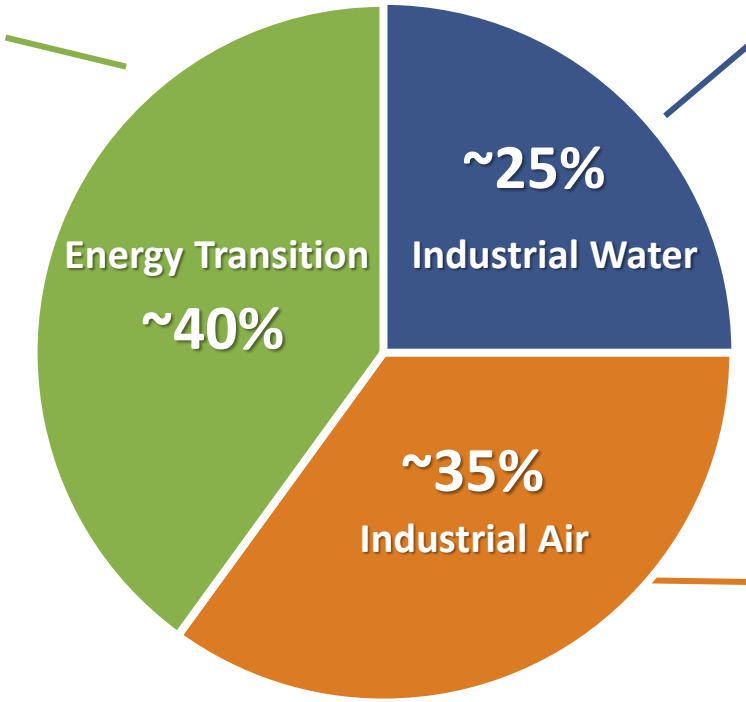
- General Industrial
- EV Production & Battery
- Beverage Can Production
- Food & Beverage Production
- Metals
- Water / Wastewater
- Semiconductor

Energy Transition / Power

- Power Generation
- Datacenter Power Management
- Midstream Oil & Gas
- Refining Processes
- Petrochemical Processing
- Nuclear & Geothermal
- Carbon Capture

100% Environmental Solutions

- Emission Management
- Thermal & Acoustics Management
- Gas & Liquid Separation/Filtration
- Cyclonic Separation
- Combustion Mgmt
- Carbon Capture



- Supply Water Treatment
- Waste Water Treatment
- Ultra-Pure Water Supply
- Produced Water Treatment
- Oily Water Separators
- Reverse Osmosis

- Thermal Abatement
- Silencers
- Wet/Dry Scrubbers
- Oil Mist & Smoke Removal
- Odor Management
- Dust Removal
- Air Flow Management

Balanced Revenue Model With $5B+ Sales Pipeline

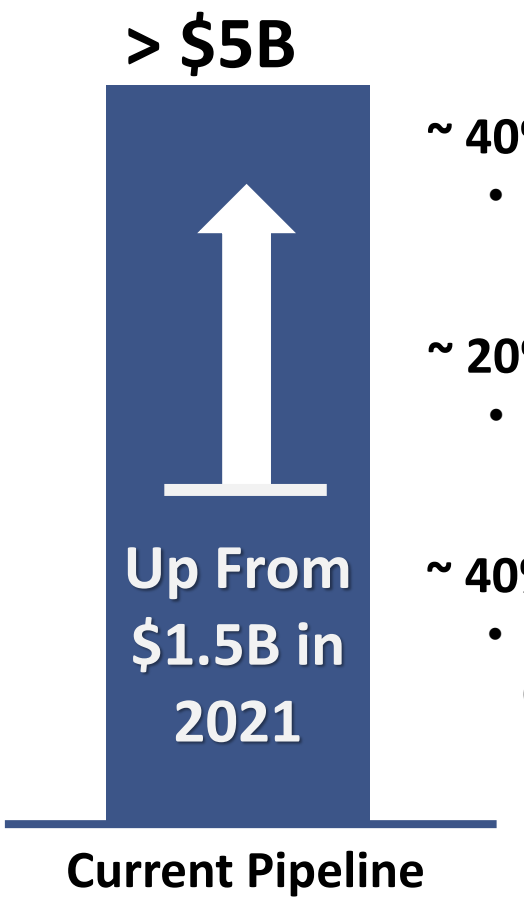
Mix of Revenue[1)]

30% *Of Sales from Aftermarket, Services and Standard Product / Quick Shipment Sales*

25% *Of Sales from Repeat, Standard or Lightly Configured Engineered Solutions*

45% *Of Sales from Customized / Highly Engineered Solutions & Services*

Sales Pipeline[2)]



~ 40% of Sales Pipeline:
- Opportunity to Replace ~ $10B Installed Base

~ 20% of Sales Pipeline:
- New Markets From Innovation, M&A and Int'l Expansion

~ 40% of Sales Pipeline:
- Industrial & Energy Markets Growing and New Facilities or Infrastructure / Capabilities

1) Mix of revenue below is in approximate terms and may fluctuate quarter over quarter
2) Pipeline is defined as Total Active Order Pursuits for Next ~ 18 Months

CECO Environmental ... Delivering Strong Results While Transforming ....

($MM)

Orders

YE '24 Backlog > $540M

Backlog 3-year CAGR +36%

B-2-B Consistently > 1.0x

Revenue

More Short-Cycle Business Mix

Global Diversity Adds Balance

Revenue at Higher Gross Margins

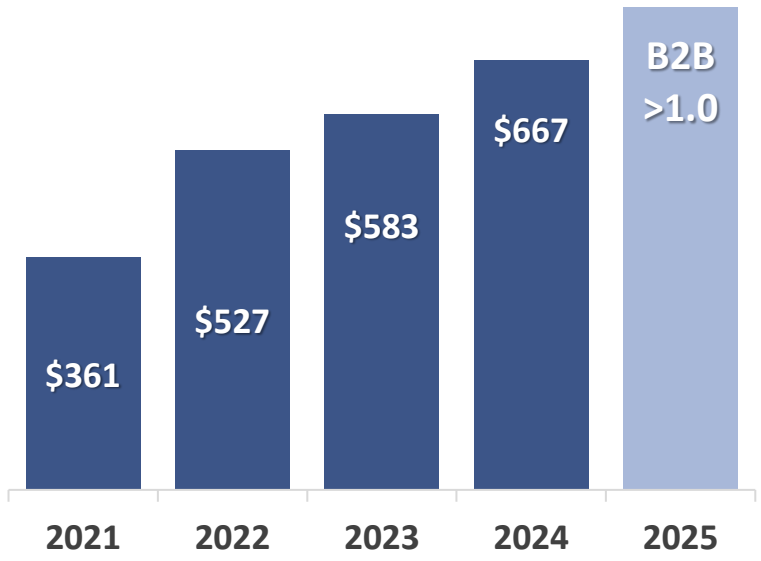
Adj. EBITDA

Margin Expansion 300+ bps

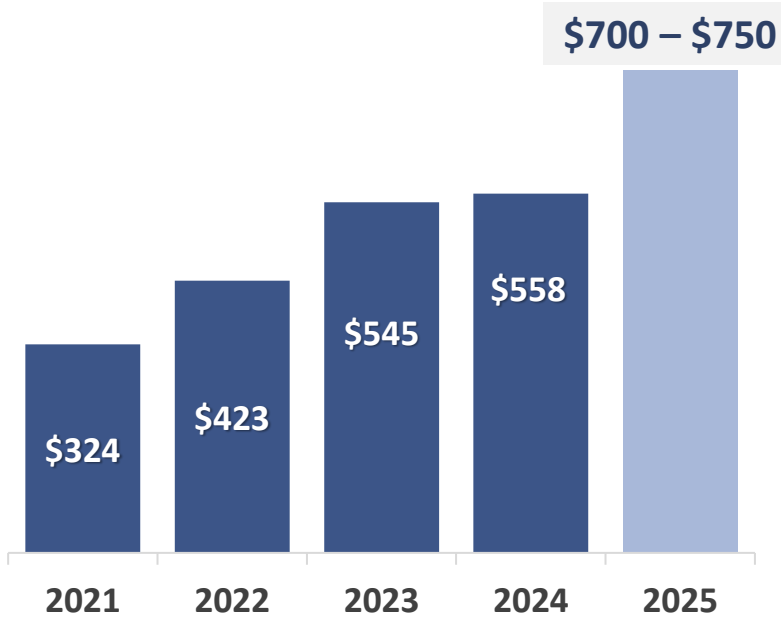
More Productivity in 2024 and Growing

Investments in Talent + Process + Footprint

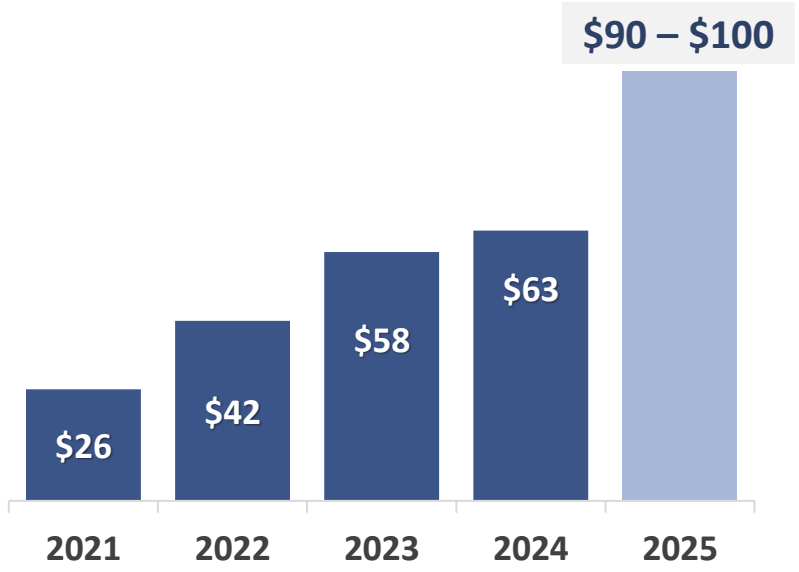
3-Year CAGR +23%



3-Year CAGR +20%



3-Year CAGR +34%



CECO Share Price up ~ 400% Since Mid-2020

Recent Financials and Outlook

Q1’25 Highlights

($MM)

Demand in End Markets Continues to be Strong

- 2nd consecutive quarter with orders >$200M
- Book-to-Bill ~ 1.3x … Even with Record Revenues

Strong Revenue and EBITDA Mostly As Expected

- Revenue Ramping Up With Record Backlog
- ESG&A Weighed (–) By Timing of Growth & Transaction Items

Q1 Strategic Transactions Completed

- Acquisition of Profire Energy
- Divestiture of Global Pump Solutions Business

Metric	Result	Performance
Backlog	$602	**Record**
Orders	$228	**Record**
Revenue	$177	**Above Consensus**
Adj. EBITDA	$14	**Above Consensus**
Adj. EPS	$0.10	**Above Consensus**

Strong Start to the Year While Managing Through Uncertainty

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Q1’25 and TTM Financial Performance

TTM = Trailing 12 Month

	Q1’25	YoY	Q1 TTM	YoY
Backlog	**$602M**	**55%**	**$602M**	**55%**
Orders	**$228M**	**57%**	**$750M**	**29%**
Book to Bill	***1.29x***		***1.23x***	
Revenue	**$177M**	**40%**	**$608M**	**9%**
Adj. EBITDA	**$14.0M**	**6%**	**$63.5M**	**9%**
Margin %	***7.9%***	***(250bps)***	***10.4%***	***(60bps)***
Adj. EPS	**0.10**	**(0.01)**	**0.71**	**(0.05)**

Highlights

- **Record Backlog** … Continued positive order trend trajectory; 9 out of 10 quarters of sequential growth

- **Record Orders …** up ~ $10M / 4% sequentially and ~ $82M YoY
- 6-month bookings of ~$450M > TY2020 and TY2021 orders

- **Record Revenue …** up ~ $19M / 11% sequentially and ~ $51M YoY
- **~28% from recent acquisitions …** strong starts in Profire & Verantis
- **~13% organic** with strong backlog conversion, and contributions from 2024 delayed projects.

- Strong **Gross Profit delivery … Margins** within target range
- **Adj EBITDA lower** reflecting higher sales, engineering and project expenses associated with record orders and backlog, certain period expenses.

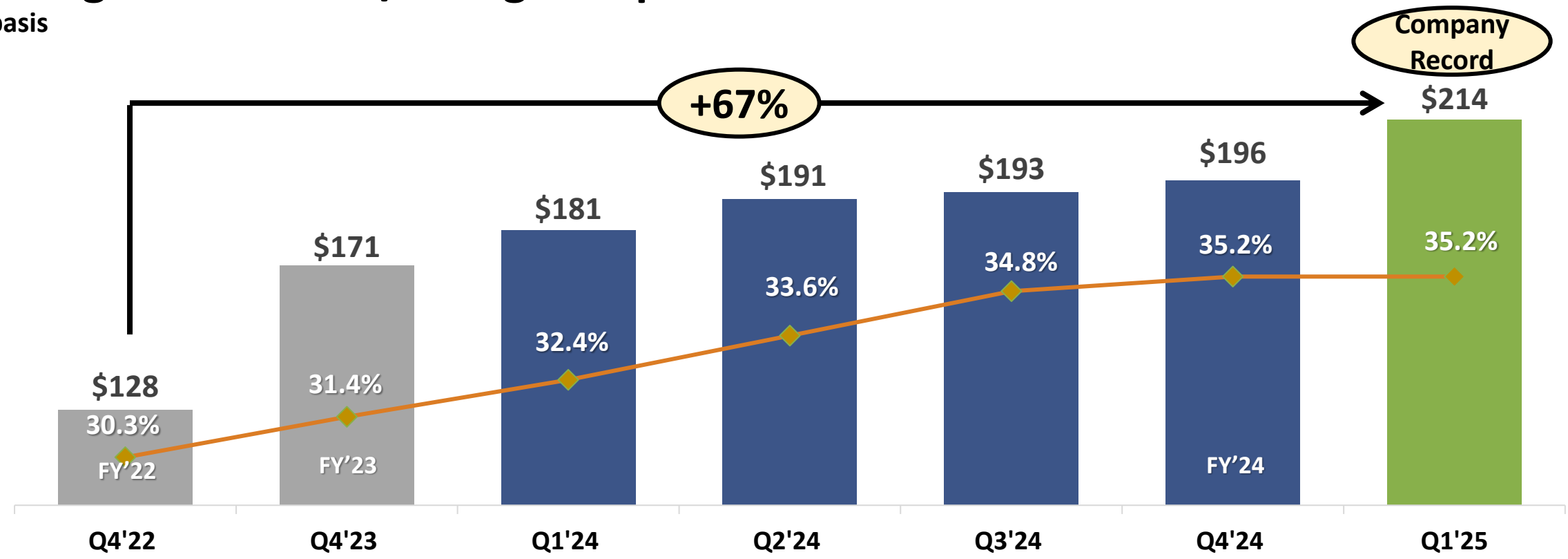
- Adj EPS ~ Flat, negatively impacted by interest expense + share count

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Growing Gross Profit / Margin Improvements Sustained

($MM)
TTM = Trailing 12 Month

TTM basis



Past 18+ Months

- ~ $10M of Sourcing
- Pricing and Improved Business Mix
- Strong Project Execution

2025+ Expectations

- Continued Execution and Sourcing focus
- Pricing to Mitigate Inflation
- Focus on EBITDA Margin Ramps as Strong Gross Margins are Maintained

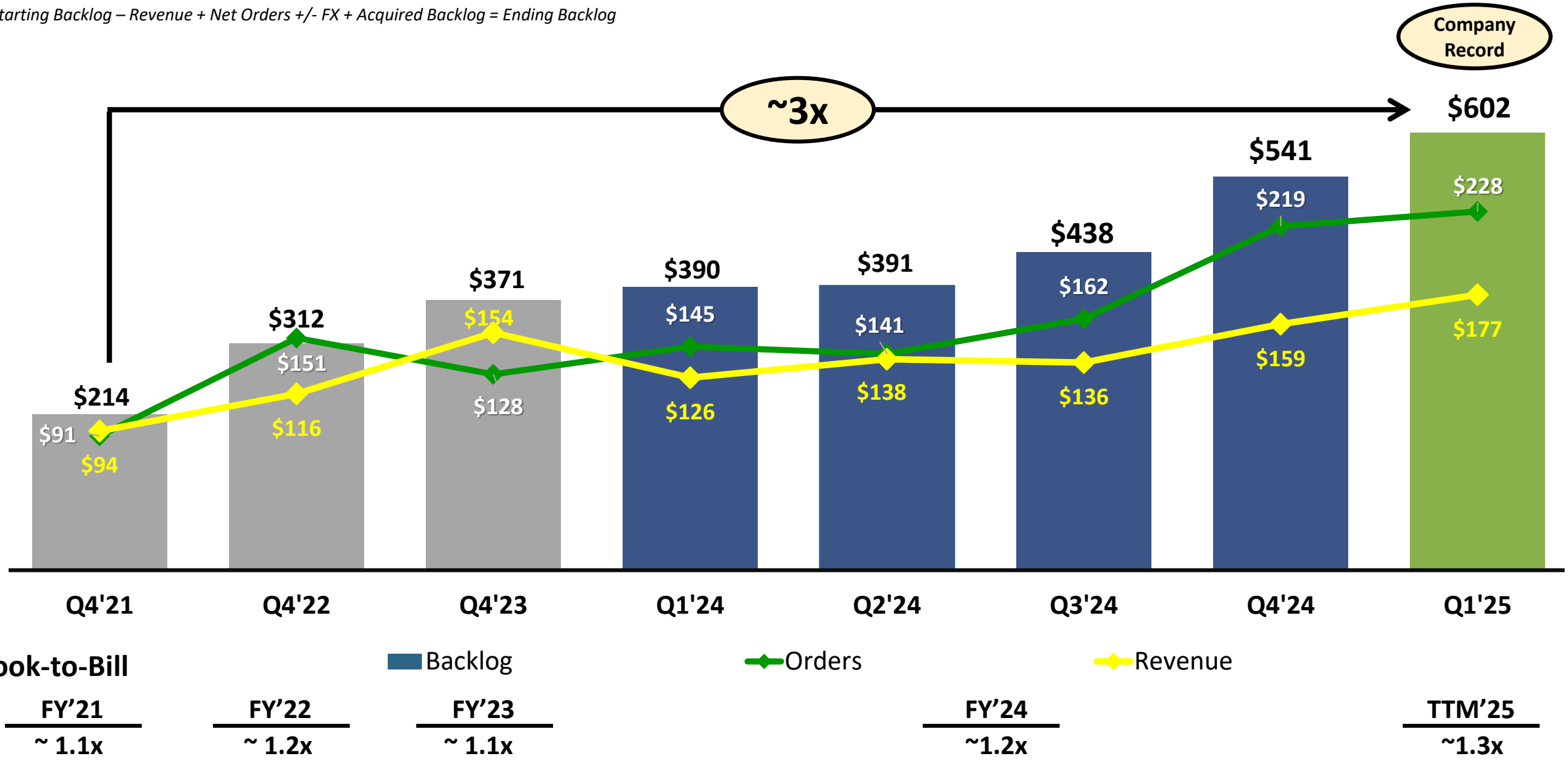
Significant Progress With Productivity, Price/Mix, and Project Execution

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Record Backlog Trend Continues

($MM)
B2B = Book to Bill

** Starting Backlog – Revenue + Net Orders +/- FX + Acquired Backlog = Ending Backlog*



Book-to-Bill

FY'21	FY'22	FY'23	FY'24	TTM'25
~ 1.1x	~ 1.2x	~ 1.1x	~1.2x	~1.3x

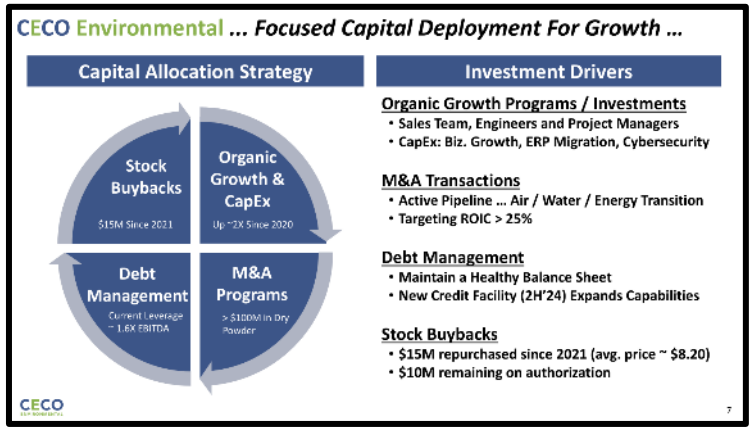
Backlog + Sales Opportunity Pipeline Supports Growth Outlook

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Continue to Execute On Portfolio Transformation

* Additional Information in Appendix

2020 – 2025 Programmatic M&A



- Completed ~ Dozen Transactions '20 - '25
- Doubled Size in 50% of Acquired Companies Within ~ 24 Months
- "Walked Away" From Many Transactions Not Meeting Screening Criteria
- Built Ind'l Water … Added Key Ind'l Air … Expanded Energy Transition

2024 Completed Portfolio Actions*

EnviroCare International	WK	VERANTIS Environmental Solutions Group
Ind'l Air business Closed Jul '24	Ind'l Air business Closed Oct '24	Ind'l Air business Closed Dec '24

Accretive Strategic Acquisitions to Advance Ind'l Air Leadership

2025 Portfolio Actions*

PROFIRE

- Closed Jan 3, 2025
- Public Company and Corporate Cost Synergies
- Significant Growth: Ind'l Markets
- Significant Growth: Int'l Markets
- Significant Growth: Packaged Solutions

CECO ENVIRONMENTAL Fluid Handling

- Announces intent to divest business by late Q1
- Process initiated in 2024
- Brands … Dean Pump, Mefiag, Fybroc and Sethco
- Three locations: Indiana, Pennsylvania and Netherlands

Maintaining FY2025 Outlook … Managing Tariff / Inflation Situation

($MM)

	Initial: Oct'24	Maintaining
Orders	B-2-B: 1.0 – 1.1x YoY midpoint 15%+	B-2-B: 1.0 – 1.1x YoY midpoint 15%+
Revenue	700 – 750 YoY midpoint 30% Organic 15% Inorganic 15%	700 – 750 YoY midpoint 30% Organic 15% Inorganic 15%
Adj EBITDA	90 – 100 YoY midpoint 50% 12.8% - 13.3% YoY midpoint margin +180bps	90 – 100 YoY midpoint 50% 12.8% - 13.3% YoY midpoint margin +180bps
Adj. Free Cash Flow* % of Adj. EBITDA	60% – 75% YoY +$45 - $65	60% – 75% *YoY +$40 - $65*

Guidance Assumptions

Orders
- Maintaining Strong Outlook
- Encouraging Start to Year and Past 3 quarters

Revenue
- Maintaining Robust Growth
- Very Few Project Delays or Postponements

Adjusted EBITDA
- Maintaining Outlook
- Reflects Known Tariff Analytics Offset by Actions
- Potential Risk with Add'l Tariffs / Other Inflation
  - Hard to quantify but $0-10M potential

Adj. Free Cash Flow
- Maintaining

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*Adj. FCF excludes interest and cash items in adjusted EBITDA

Focused On Strong Growth and Sustainable Shareholder Value Creation

- **Maintaining Multi-Year Track Record:** Ongoing Transformational Journey Continues to Produce Record Financials, Top Quartile Stock Performance
- **Recent Performance:** Back-to-Back Quarters with Record Orders Demonstrates Well-Positioned Portfolio In Growth Markets
- **2025 Outlook Very Strong:** Solid Growth and Working to Offset Tariffs / Inflation
- **Well Positioned Portfolio:** Leadership Position in Industrial Reshoring, Power Generation, Infrastructure Investments and Diversified Industrial Growth

Thank You For Your Interest and Thank You Team CECO

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Appendix

Supplemental Data and Non-GAAP Reconciliation Tables

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Tariff Environment – Current State and Mitigation Actions

Exposure	Current State	Future State (actions underway)
U.S. Capacity	– Existing U.S. supply capacity addresses meaningful portion of U.S. demand	– Continuing to develop new sources of U.S. capacity and strengthen supply chain capabilities – Selective insourcing to existing CECO facility
Mexico / Canada	– Majority of supply is USMCA qualified or exempt – Capacity to support additional demand	– Targeting 100% USMCA qualification or exemption
China / Asia	– Limited-to-No China exposure (importing to U.S.) – Vietnam and Korea exposure limited to power and energy projects with exemptions	– Asia-for-Asia supply and project execution – Internal capacity for fabrication in China and Korea
EU / ME / India	– Customer-specified German tech for select projects – Manufacture in-region, for region	– EU for EU supply and project execution – Internal capacity for fabrication in UK and Germany – Securing customer deviation for US supply

General

- Working with our customers to ensure contractual language and protections are sufficient, secure favorable INCO terms
- Anticipating and working to mitigate inflationary impact on raw materials
- Resiliency and diversification of our operations and supply chain supportive of mitigation of tariff impacts

Better Positioned Than "Covid Supply Chain Shock Quarter(s)" to Handle External Disruptions … Rapid Mitigation Actions Underway to Largely Offset Anticipated Cost Risks*

** Assumes tariff rates and imposition on April 28, 2025 are maintained for the remainder of 2025*

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Tariff Outlook for the Remainder of 2025

($MM)

* Estimated impacts as of April 28, 2025

Category	Gross Impact *
Materials	**$1 – 2**
Components (1)	**$1 – 3**
Fabrications	**$1 – 5**
Total	**$3 – 10**

(1) Finished items including pumps, valves, filters, sensors, control panels

Ongoing Mitigations

Headcount & Process Optimization	~ $3
Supply Chain Efficiencies	$0 – 2
Other Actions	$0 – 1
Pricing Pass Thru Cost	TBD
Total Actions Identified	**$3 – 6**

- We buy in-region, for-region. Cost and revenue bases are largely aligned
- We are a portfolio of agile, niche businesses with adaptable supply chains
- Surcharges/inflation triggers in contract T&C language
- Use free trade zones, when possible, to defer duty payment
- Canadian & Mexican imports are exempted by USMCA

Key Assumptions

- Canadian & Mexican imports retain USMCA compliance/exemptions
- 25% tariff rates on “raw” steel and aluminum remain in place
- 10% reciprocal tariffs remain in place
- Tariff rates as of April 28 remain effective through the rest of the year

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Revenue Excluding Acquisitions

(dollars in millions)	Annual 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Annual 2024	Q1 2025	Annual 2025	TTM
Revenue as reported in accordance with GAAP	$ 544.9	$ 126.3	$ 137.5	$ 135.5	$ 158.6	$ 558.0	$ 176.7	$ 176.7	$ 608.3
Less revenue attributable to acquisitions	(51.1)	(10.0)	(4.7)	(7.9)	(10.6)	(33.2)	(34.3)	(34.3)	(19.8)
Organic Revenue	$ 493.8	$ 116.3	$ 132.8	$ 127.6	$ 148.0	$ 524.8	$ 142.4	$ 142.4	$ 588.5

NOTE: Amounts are computed independently each quarter. Accordingly, the sum of each quarter's amounts may not equal the total amounts for the respective year.

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Non-GAAP Operating Income and Margin

(dollars in millions)	Annual 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Annual 2024	Q1 2025	Annual 2025	TTM
Operating Income as reported in accordance with GAAP	$ 34.7	$ 7.7	$ 9.3	$ 7.2	$ 11.3	$ 35.4	$ 61.9	$ 61.9	$ 89.6
Operating Margin in accordance with GAAP	*6.4%*	*6.1%*	*6.8%*	*5.3%*	*7.1%*	*6.3%*	*35.0%*	*35.0%*	*14.7%*
Acquisition and integration expense	2.5	0.2	0.5	1.2	2.3	4.2	$ 8.1	$ 8.1	$ 12.1
Amortization expense	7.5	2.2	2.2	2.2	2.2	8.8	$ 3.1	$ 3.1	$ 9.7
Earn-out and retention expense (income)	0.7	-	-	0.5	(0.2)	0.3	$ -	$ -	$ 0.3
Intangible asset impairment	-	-	-	-	-	-	$ -	$ -	$ -
(Gain) Loss on divestitures, net of selling costs	-	-	-	-	-	-	$ (64.5)	$ (64.5)	$ (64.5)
Restructuring expense	1.3	0.1	0.4	(0.1)	-	0.5	$ -	$ -	$ 0.3
Executive transition expense	1.4	-	-	-	-	-	-	$ -	$ -
Asbestos litigation expense	-	-	0.2	-	-	0.2	-	$ -	$ 0.2
Non-GAAP Operating Income	$ 48.1	$ 10.2	$ 12.6	$ 11.0	$ 15.6	$ 49.4	$ 8.6	$ 8.6	$ 47.7
Non-GAAP Operating Margin	*8.8%*	*8.1%*	*9.2%*	*8.1%*	*9.8%*	*8.9%*	*4.9%*	*4.9%*	*7.8%*

NOTE: Amounts are computed independently each quarter. Accordingly, the sum of each quarter's amounts may not equal the total amounts for the respective year.

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Non-GAAP Net Income, Adjusted EBITDA, and Margin

(dollars in millions)	Annual 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Annual 2024	Q1 2025	Annual 2025	TTM
Net Income as reported in accordance with GAAP	$ 12.9	$ 1.5	$ 4.5	$ 2.1	$ 4.9	$ 13.0	$ 36.0	$ 36.0	$ 47.4
Acquisition and integration expense	2.5	0.2	0.5	1.2	2.3	4.2	8.1	8.1	12.1
Amortization expense	7.5	2.2	2.2	2.2	2.2	8.8	3.1	3.1	9.7
Earn-out and retention expense (income)	0.7	-	-	0.5	(0.2)	0.3	-	-	0.3
Intangible asset impairment	-	-	-	-	-	-	-	-	-
(Gain) Loss on divestitures, net of selling costs	-	-	-	-	-	-	(64.5)	(64.5)	(64.5)
Restructuring expense	1.3	0.1	0.4	(0.1)	-	0.5	-	-	0.3
Executive transition expense	1.4	-	-	-	-	-	-	-	-
Asbestos litigation expense	-	-	0.2			0.2	-	-	0.2
Foreign currency remeasurement	(1.0)	0.9	0.6	0.3	2.4	4.2	0.6	0.6	0.6
Tax benefit (cost) of expenses	1.3	(0.9)	(1.0)	(1.0)	(1.7)	(4.6)	20.2	20.2	20.2
Non-GAAP Net Income	$ 26.6	$ 4.0	$ 7.4	$ 5.2	$ 9.9	$ 26.7	$ 3.5	$ 3.5	$ 26.3
Depreciation expense	5.1	1.3	1.3	1.4	1.8	5.8	2.0	2.0	6.5
Non-cash stock compensation	4.5	1.7	2.2	1.9	1.7	7.5	3.4	3.4	9.2
Other (income) / expense	0.8	0.6	0.1	0.1	(0.3)	0.5	0.0	0.0	3.2
Interest expense	13.4	3.4	3.3	2.6	3.7	13.0	6.2	6.2	15.8
Income tax expense	5.7	1.6	1.4	2.6	2.3	7.9	(1.6)	(1.6)	1.8
Non-Controlling Interest	1.6	0.6	0.4	0.5	-	1.5	0.5	0.5	0.5
Adjusted EBITDA	$ 57.7	$ 13.2	$ 16.1	$ 14.3	$ 19.1	$ 62.8	$ 14.0	$ 14.0	$ 63.3
Non-GAAP Operating Margin	*10.6%*	*10.5%*	*11.7%*	*10.6%*	*12.0%*	*11.3%*	*7.9%*	*7.9%*	*10.4%*
Basic Shares Outstanding	34,665,473	34,844,838	34,918,412	34,966,625	34,978,382	34,927,313	35,028,301	35,028,301	34,972,930
Diluted Shares Outstanding	35,334,090	36,175,998	36,302,664	36,488,788	36,559,198	36,381,910	36,689,320	36,689,320	36,509,993
Earnings per share:									
Basic	$ 0.37	$ 0.04	$ 0.13	$ 0.06	$ 0.14	$ 0.37	$ 1.03	$ 1.03	$ 1.36
Diluted	$ 0.37	$ 0.04	$ 0.12	$ 0.06	$ 0.13	$ 0.36	$ 0.98	$ 0.98	$ 1.30
Non-GAAP earnings per share:									
Basic	$ 0.77	$ 0.11	$ 0.21	$ 0.15	$ 0.28	$ 0.76	$ 0.10	$ 0.10	$ 0.75
Diluted	$ 0.75	$ 0.11	$ 0.20	$ 0.14	$ 0.27	$ 0.73	$ 0.10	$ 0.10	$ 0.72

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