

**Funds to be raised:  
INR 150 Mn**

The company is a deep-tech company revolutionizing water access through Air-Water Generation (AWG) technology, converting humidity into clean, mineralized, and alkaline water (pH 7.0-8.5). With 9 design patents, 1 granted process patent, and 2 more under application, its energy-efficient systems provide up to 475 liters/day for homes, industries, and governments. Backed by 270+ paid pilots and a \$1.2M order book, Company is scaling rapidly with an \$3M active sales pipeline (80% closure rate). The company collaborates with IIT-M, IIT-KGP, and ICCW, ensuring continuous innovation and market leadership in AWG technology. Recognized with 5+ global awards, including the “Best Innovator” award at the World Health Assembly, Company is shaping the future of sustainable water independence.

#### Investment rationale

**Addressing a Global Crisis:** Over 1.2 bn people lack access to clean water. By 2050, >60% of the world’s population will experience water stress. AWG technology offers a sustainable and scalable solution. The company has deployed ~300 AWG solutions across various sectors, including homes, offices, and ships. To enhance its technology and improve the efficiency of its AWG machines while reducing energy consumption, the company has established collaborations with IIT Madras and IIT Ropar. Additionally, it is seeking partnerships with large-scale manufacturers to mass-produce smaller 20-liter AWG units, which are expected to be in high demand. It currently offers 4 primary AWG product models, each designed for different types of customers: 20 ltr unit at INR 75,000, 40 ltr unit at INR 1 lakh, 150 ltr unit at INR 2.5 lakh, 500 ltr unit at INR 4 lakh.

**Strong order book shows business visibility:** The company has a robust order book (active sales pipeline \$2Mn and an upcoming bid pipeline of ~ INR \$3+Mn, covering government, private, commercial, and residential projects. On the export front, the company has received a \$100,000 order from a wellness resort in Mexico and is also in discussions for a \$29 Mn project in Latin America.

**Healthy competition:** In India, competitors include Uravu and Maitri while globally it competes with companies like Source (USA), Watergen (Israel), Genac, and Aquaria. Unlike its competitors, Aeronero has both condensation and desiccation patents, which gives it a unique competitive advantage in the industry.

**Outlook:** The expectation is to close FY25 with revenue of INR 40-50 Mn, aiming to increase it to INR 450 Mn by next year. An average gross margin of 50% is maintained across all product categories, with larger machines generating higher profit margins than smaller ones. Operations span three key segments: B2B2C, selling AWG units to real estate developers for residential projects; B2G, collaborating with defense, government agencies, and public institutions for water solutions; and B2E, exporting AWG technology to international markets like Mexico and Latin America to address water scarcity. Additionally, plans are in place to launch Product 2.0 on World Water Day and conduct a roadshow to raise awareness about new solutions. The outlook remains positive, presenting a multifold opportunity.

Exhibit 1: Growth Drivers For AWG Market

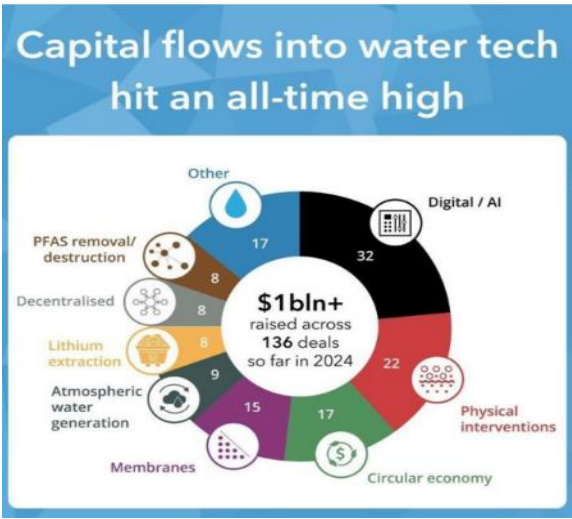
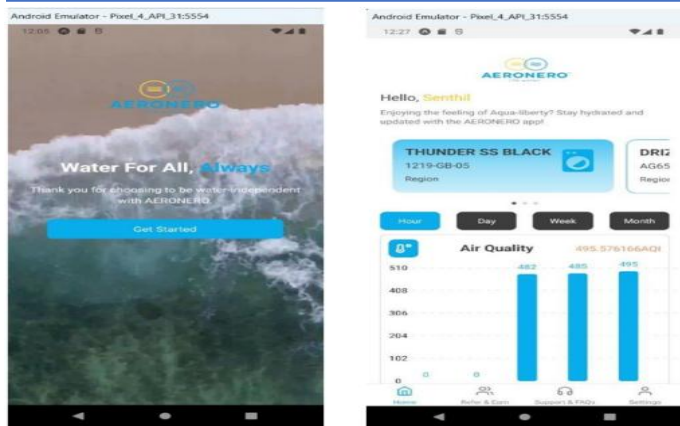


Exhibit 2: Portable Product for homes 2.0



Source: Company Reports, Arihant Capital Research

Exhibit 3: Mobile & Web Application



1 process Patent,  
8 design patents



Proprietary Firmware for  
remote management

Source: Company Reports, Arihant Capital Research

**Aeronero Solutions Private Ltd- Management Meet Highlights**

- Aeronero incorporated in 2019, is a deep-tech company that specializes in generating water from air using advanced air-to-water generation (AWG) technology using both condensation and desiccation methods. It has successfully deployed ~ 300 AWG solutions across various sectors, including homes, offices, ships etc.
- Condensation technology works similarly to how air conditioners create water droplets, while desiccation technology involves using special materials that absorb moisture from the air and extract water.
- The company It operates in 3 key segments, B2B2C, selling AWG units to real estate developers for residential projects; B2G, collaborating with defense, government agencies, and public institutions for water solutions; and B2E, exporting AWG technology to international markets like Mexico and Latin America to address water scarcity.
- The company is currently working on the miniaturization of AWG units, which will enable portable water generation solutions for military use, especially for soldiers stationed in remote areas like Ladakh and Rajasthan. Also it is in the process of filing a patent for the miniaturized soldier pack
- It has 16-member team based in Chennai and plans to expand its workforce by 7-10 more employees, particularly in technology, sales, and research & development (R&D).
- The company is seeking partnerships with large-scale manufacturers to mass-produce smaller 20 ltr AWG units, which are expected to have high demand.
- The company has established collaborations with IIT Madras and IIT Ropar to improve its technology and increase the efficiency of its AWG machines while reducing energy consumption.
- The company is also investing in international patent filings, with each patent filing costing ~ INR 2-2.5 Mn per country.
- In India, competitors include Uravu and Maitri while globally it competes with companies like Source (USA), Watergen (Israel), Genac, and Aquaria. Unlike its competitors, Aeronero has both condensation and desiccation patents, which gives it a unique competitive advantage in the industry.
- The company expects to close the FY25 with revenue of INR 40-50 Mn with aims to increase it to INR 450 Mn by next year. An average gross margin of 50% maintains across all product categories, with larger machines generating higher profit margins than smaller ones.
- It currently offers 4 primary AWG product models, each designed for different types of customers: 20 ltr unit at INR 75,000, 40 ltr unit at INR 1 lakh, 150 ltr unit at INR 2.5 lakh, 500 ltr unit at INR 4 lakh.
- The cost of producing water using its AWG machines is INR 4-5 per ltr when using electricity and 'Zero' when using solar energy.
- It has already secured agreements with real estate developers to install AWG units in 33,000 homes, with 13,000 units scheduled for deployment in the next 90-120 days.
- On the export front, the company has received a \$100,000 order from a wellness resort in Mexico and is also in discussions for a \$29 Mn project in Latin America.
- The company plans to launch Product 2.0 on World Water Day and will conduct a roadshow to raise awareness about its new solutions.
- It is working on next-generation AWG models with higher efficiency, better power-to-water ratios, and potential compressor-free technology to make AWG more affordable.

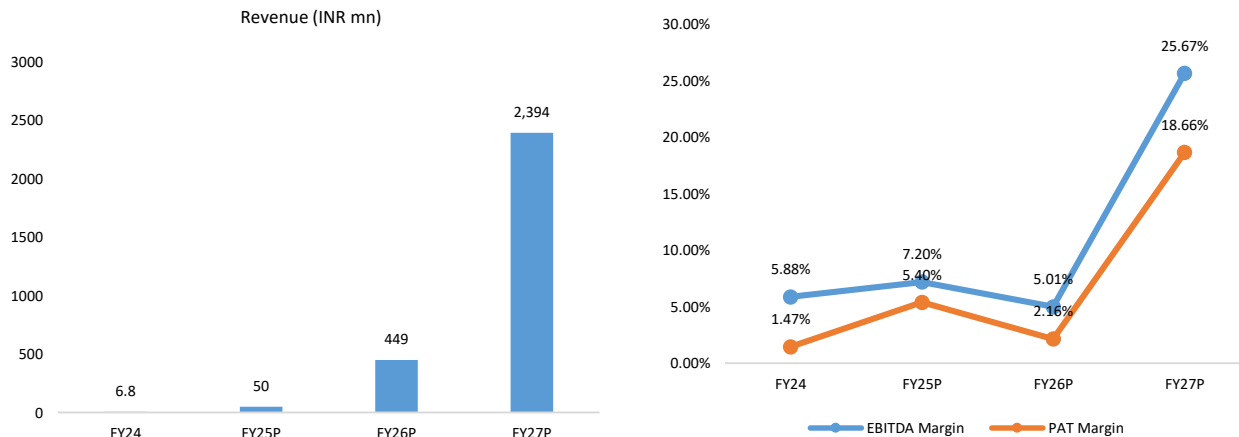
Exhibit 3: A 2.6% share of market translates into approximately USD 76 Mn sales in 5 years.



Exhibit 4: AeroNero Financials and Projections

| Particular        | FY24  | FY25P | FY26P | FY27P  |
|-------------------|-------|-------|-------|--------|
| Revenue (INR mn)  | 6.8   | 50    | 449   | 2,394  |
| EBITDA (INR mn)   | 0.4   | 4     | 23    | 615    |
| EBITDA Margin (%) | 5.88% | 7.20% | 5.01% | 25.67% |
| PAT (INR mn)      | 0.1   | 2.7   | 10    | 447    |
| PAT Margin (%)    | 1.47% | 5.40% | 2.16% | 18.66% |

Exhibit 5: AeroNero order book and active sales pipeline \$2Mn and an upcoming bid pipeline of ~ INR \$3+Mn, covering government, private, commercial, and residential projects.



Source: Company Reports, Arianth Capital Research

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| Stock Rating Scale | Absolute Return |
|--------------------|-----------------|
| BUY                | >20%            |
| ACCUMULATE         | 12% to 20%      |
| HOLD               | 5% to 12%       |
| NEUTRAL            | -5% to 5%       |
| REDUCE             | -5% to -12%     |
| SELL               | <-12%           |

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