

## SaaS Metrics 1-Pager Cheat sheet

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Metric	Calculation / Formula
<b>Bookings and ARR</b>	
<b>ACV Bookings</b>	$\text{TCV Bookings} \div \text{Term Length (years)}$
<b>Annual Recurring Revenue (ARR)</b>	$\text{Monthly Recurring Revenue (MRR)} \times 12$
<b>Ending ARR</b>	$\text{Beginning ARR} + \text{New ARR} + \text{Expansion ARR} - \text{Churn ARR}$
<b>Retention, Renewal and Churn</b>	
<b>Customer Churn Rate %</b>	$(\text{Beginning Customer Count} - \text{Churned customer}) \div \text{Beginning Customer Count}$
<b>Dollar-Based Gross Retention Rate %</b>	$(\text{Beginning ARR} - \text{Churn ARR}) \div \text{Beginning ARR}$
<b>Dollar-Based Net Retention Rate %</b>	$(\text{Beginning ARR} + \text{Expansion ARR} - \text{Churn ARR}) \div \text{Beginning ARR}$
<b>Churn Rate %</b>	$1 - \text{Retention Rate \%}$
<b>Renewal Rate %</b>	$\text{Renewed" ARR} \div \text{"Up for Renewal" ARR}$
<b>Unit Economics</b>	
<b>Customer Lifetime</b>	$1 \div \text{Churn Rate \%}$
<b>Customer Lifetime Value (LTV)</b>	$(\text{Recurring Revenue} - \text{Cost of Revenue}) \div \# \text{ Customers} \div \text{Churn Rate}$ <b>OR</b> $(\text{ARR} \times \text{Product Gross Margin \%}) \div \# \text{ Customers} \div \text{Churn Rate}$
<b>Customer Acquisition Cost (CAC)</b>	$\text{S\&M Cost Spent on New Customers} \div \# \text{ of New Customers}$
<b>SaaS Magic Number</b>	$(\text{Current Qtr's Revenue} - \text{Previous Qtr's Revenue}) \times 4 \div \text{Previous Quarter's Sales and Marketing Expense}$
<b>Financial / P&amp;L Metrics</b>	
<b>Gross Margin %</b>	$(\text{Revenue} - \text{Cost of Goods Sold}) \div \text{Revenue}$
<b>EBITDA / Operating Margin %</b>	$(\text{Revenue} - \text{Cost of Goods Sold} - \text{Operating Expenses}) \div \text{Revenue}$
<b>"Rule of 40"</b>	$\text{Revenue growth Y/Y \%} + \text{EBITDA Margin \%}$ <b>OR</b> $\text{Revenue growth Y/Y \%} + \text{Free Cash Flow Margin}$