**SaaS Metrics 1-Pager Cheatsheet**

Last Updated: June 12, 2021

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