

# **Financial KPI Analysis-LTV:CAC Evaluation**

## **OBJECTIVE:**

The objective of this analysis is to evaluate the financial health of a startup by analyzing key performance indicators such as Revenue, Burn Rate, Customer Acquisition Cost(CAC), Lifetime Value (LTV), and LTV:CAC ratio

## **LTV(Lifetime value)**

LTV represents the total revenue a business expects from a customer during their entire relationship with the company.

## **CAC(Customer Acquisition cost)**

CAC represents the cost incurred to acquire a new customer, including marketing and sales expenses.

## **LTV:CAC Ratio:**

LTV:CAC ratio measures the efficiency of customer acquisition

A ratio above 3 indicates a healthy and scalable business model.

## **Result Summary:**

The average LTV:CAC ratio observed is approximately 30, which indicates strong unit economics and efficient customer acquisition