INVESTOR-GRADE | S

SaaS Financial Model User Guide

Complete reference for all 16 sheets, formulas, and KPI definitions

16	5,984	60	51
Integrated Sheets	Live Formulas	Monthly Periods	Named Roles

01 Cover & Index	02 Assumptions	03 Revenue Engine	04 Mktg Funnel
05 Cohorts	06 COGS	07 Hiring Plan	08 OpEx
09 Unit Economics	10 P&L	11 Cash Flow	12 Balance Sheet
13 Capital	14 Scenarios	15 Sensitivity	16 Dashboard

16

Color coding: BLUE = Inputs | BLACK = Formulas | GREEN = Cross-sheet links | YELLOW = Cells needing attention

For investor reporting, board decks, and Series A–C fundraising | 2025

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SECTION 1

MODEL OVERVIEW & ARCHITECTURE

16 Integrated Sheets | 60-Month Horizon

This model is an **institutional-quality, driver-based SaaS financial model** designed for Series A–C fundraising, board reporting, and strategic planning. Every output is derived from explicit assumptions — no value is hardcoded inside a formula. Change one driver in the Assumptions sheet and the entire model recalculates across all 60 monthly periods and 5 annual summaries.

Sheet Architecture

Sheet	Tab Name	Purpose	Links To
1	Cover	Navigation index	—
2	Assumptions	All global inputs & drivers	All sheets
3	Revenue	Bottom-up MRR/ARR engine, 4 tiers	COGS, P&L, Dashboard
4	Funnel	Acquisition funnel, CAC by channel	Revenue, OpEx
5	Cohorts	Annual cohort retention & LTV	UnitEcon
6	COGS	Infrastructure, payments, support costs	P&L
7	Hiring	51 roles, payroll-loaded annual costs	OpEx
8	OpEx	Dept-level operating expenses	P&L
9	UnitEcon	CAC, LTV, LTV/CAC, payback period	Dashboard
10	P&L	Full GAAP income statement	CashFlow, BalSheet
11	CashFlow	Indirect method cash flow statement	BalSheet, Capital
12	BalSheet	5-year annual balance sheet	Dashboard
13	Capital	Funding rounds, dilution, runway	P&L, Dashboard
14	Scenarios	Conservative / Base / Aggressive	—
15	Sensitivity	ARR & margin heatmaps vs key drivers	—
16	Dashboard	Executive KPI summary, 5-year view	All sheets

Color Coding System

The model follows investment banking color conventions. **Never alter the color of a formula cell** — colors are your audit trail.

Color	Meaning	What to Do
BLUE text	Hardcoded input — a driver you control	Change freely in Assumptions
BLACK text	Formula / calculated value	Do not edit directly
GREEN text	Cross-sheet link (pulls from another tab)	Trace with Ctrl+[if needed

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RED text	Negative value or error alert	Review if unexpected
YELLOW bg	Cell flagged for attention / needs update	Review and update

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SECTION 2

GLOBAL ASSUMPTIONS

The Single Source of Truth

The **Assumptions sheet** is the only place you should enter or change values. Every other sheet pulls from here via direct cell references. This architecture ensures auditability — any investor or analyst can trace any output back to a single named input.

RULE

GOLDEN RULE: Only edit cells with BLUE text. If a cell shows black text, it contains a formula and editing it will break the model linkage.

Assumption Sections

MARKET ASSUMPTIONS (Rows 5–7)

Assumption	Default Value / Logic
Total Addressable Market	$12B | Source: Gartner 2025
Target Market Share — Yr5	1.5% | Conservative capture
Market CAGR	18% | IDC estimate

PRICING TIERS (Rows 11–15)

Assumption	Default Value / Logic
Starter (SMB)	$29/month
Pro (Growing Teams)	$99/month
Business (Mid-Market)	$299/month
Enterprise (Large Co.)	$999/month | Avg ACV ÷ 12
Annual Pre-pay Discount	15% | Incentivizes annual billing

CUSTOMER BEHAVIOR (Rows 19–25)

Assumption	Default Value / Logic
Starter Monthly Churn	5.5% | Industry SMB benchmark
Pro Monthly Churn	3.5%
Business Monthly Churn	2.5%
Enterprise Monthly Churn	1.0%
Expansion MRR Rate	2.0% | Upsell/seat growth on prior MRR
Contraction Rate	0.5% | Downgrades
Reactivation Rate	8.0% | % of churned MRR that returns

MARKETING & CAC (Rows 29–39)

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Assumption	Default Value / Logic
CAC — Paid Ads	$480 | Fully-loaded all-in
CAC — SEO/Content	$220
CAC — Referral	$150
CAC — Outbound (SDR+AE)	$620
Visitor → Signup Conv.	3.5%
Signup → Trial Conv.	55%
Trial → Paid Conv.	22%
Channel Mix (Paid/SEO/Ref/Out)	35% / 28% / 17% / 20%

COGS DRIVERS (Rows 43–46)

Assumption	Default Value / Logic
Cloud Hosting per Customer/Mo	$4.50 | AWS blended
3rd-Party APIs per Customer/Mo	$1.20
Payment Processing Fee	2.5% | Stripe blended
Support Cost per Customer/Mo	$3.00

HIRING & PAYROLL (Rows 50–53)

Assumption	Default Value / Logic
Benefits Load	18% | Health, dental, 401k
Payroll Tax Rate	7.5% | FICA + FUTA
Annual Merit Increase	4.0%
Recruiting Cost per Hire	$8,000

FINANCIAL (Rows 57–60)

Assumption	Default Value / Logic
Income Tax Rate	21%
Accounts Receivable Days (DSO)	30 days
Accounts Payable Days	30 days
Minimum Cash Reserve	$500,000

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SECTION 3

REVENUE ENGINE

Sheet: Revenue | 60-Month MRR/ARR Model

The Revenue sheet is the **commercial heart of the model**. It builds Monthly Recurring Revenue (MRR) from the ground up using four pricing tiers, tracking every movement in the customer base and translating them into the six components of Net New MRR.

4	6	8	60
Pricing Tiers	MRR Components	Key SaaS Metrics	Monthly Periods

New Customer Inputs (Rows 10–13)

Each of the four pricing tiers has a **monthly new customer series** — 60 hardcoded values representing how many new customers enter each month. These are the primary growth levers. Edit these in BLUE to change the model's top-line trajectory.

> **TIP**
> NEW CUSTOMER ROWS (10–13): Starter, Pro, Business, Enterprise. Row 14 auto-sums to Total New Customers. These are your primary growth inputs.

Active Customers (Rows 16–20)

Active customers are tracked with a rolling retention formula:

```
Active[t] = MAX(0, Active[t-1] × (1 – Churn Rate) + New Customers[t]
```

Each tier has its own churn rate drawn from Assumptions rows 19–22. Row 20 sums to **Total Active Customers**, which drives all downstream MRR calculations.

MRR Components (Rows 22–31)

Component	Row	Formula Logic	Sign
Starter MRR	22	= Starter Price × Starter Active Customers	+
Pro MRR	23	= Pro Price × Pro Active Customers	+
Business MRR	24	= Business Price × Business Active Customers	+
Enterprise MRR	25	= Enterprise Price × Enterprise Active Customers	+
New MRR (Gross)	26	= SUM of tier MRRs above	+
Expansion MRR	27	= Prior Month MRR × Expansion Rate (Assumptions B23)	+
Churn MRR	28	= –Prior MRR × Weighted Blended Churn Rate	–
Contraction MRR	29	= –Prior MRR × Contraction Rate (Assumptions B24)	–
Reactivation MRR	30	= |Churn MRR| × Reactivation Rate (Assumptions B25)	+

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Component	Row	Formula Logic	Sign
TOTAL MRR	31	= SUM(Rows 26–30)	=

Derived SaaS Metrics (Rows 33–38)

Metric	Row	Formula
ARR	33	= Total MRR × 12
Net New MRR	34	= This Month MRR – Prior Month MRR
ARPA (Avg Rev/Acct)	35	= Total MRR ÷ Total Active Customers
Net Revenue Retention	36	= (Prior MRR + Expansion + Churn + Contraction + Reactivation) ÷ Prior MRR
Gross MRR Churn Rate	37	= |Churn MRR| ÷ Prior Month MRR
Monthly Revenue	38	= Total MRR (same as row 31 — used for P&L linkage)

TIP

ANNUAL SUMMARIES: Columns BL–BP (columns 64–68) contain year-end and full-year aggregates for FY2025–FY2029. ARR and MRR show year-end snapshots; Total Revenue shows the annual sum. These feed directly into the P&L and Dashboard.

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SECTION 4

MARKETING FUNNEL

Sheet: Funnel | Acquisition Engine

The Funnel sheet models customer acquisition from first website visit to paying customer across **six channels**. CAC is computed as a weighted blend of channel-specific costs and drives total marketing spend across all 60 months.

Traffic Sources (Rows 4–9)

Channel	Row	Starting Visitors/Mo	Growth Driver
Paid Ads	4	2,000	+180 per month
SEO / Organic	5	500	+120 per month
Content / Blog	6	300	+80 per month
Partnerships	7	100	+30 per month
Referral / WOM	8	200	+60 per month
Outbound (SDR)	9	50	+15 per month
TOTAL VISITORS	10	3,150	SUM of above

Conversion Funnel (Rows 12–15)

Stage	Row	Formula	Default Rate
Signups	12	= Total Visitors × Visitor→Signup Rate	3.5% (Assumptions B33)
Free Trials	13	= Signups × Signup→Trial Rate	55.0% (Assumptions B34)
PQLs	14	= Free Trials × 0.60	60% of trials
Paid Conversions	15	= Free Trials × Trial→Paid Rate	22.0% (Assumptions B35)

CAC & Marketing Spend

The **Blended CAC** (cell B21) is a weighted average of the four channel CACs, weighted by the revenue channel mix defined in Assumptions rows 36–39.

```
Blended CAC = CAC_Paid × Mix_Paid + CAC_SEO × Mix_SEO + CAC_Referral × Mix_Referral +
CAC_Outbound × Mix_Outbound
```

Total Marketing Spend (row 22) = Paid Conversions × Blended CAC. This feeds directly into the OpEx Sales & Marketing section and the Magic Number calculation.

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SECTION 5

CUSTOMER COHORT MODEL

Sheet: Cohorts | Annual Retention & LTV

The cohort model tracks five annual customer cohorts (2025–2029), each with its own retention curve, ARPA, and cumulative lifetime revenue. This provides the granular view of revenue durability that sophisticated investors expect.

Cohort	Initial Customers	Yr1 Retention	Yr2 Retention	Yr3–5 Retention
2025	100	70%	60%	55% / 52% / —
2026	280	72%	62%	57% / 54% / —
2027	620	74%	64%	59% / 56% / —
2028	1,150	76%	66%	61% / 58% / —
2029	2,100	78%	68%	63% / 60% / —

Annual cohort revenue = Initial Customers × Retention Rate × ARPA for that year. LTV per cohort is the sum across all active years. The improving retention curve (2025 cohort at 70% vs 2029 at 78%) reflects expected improvements in product maturity and customer success capacity.

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SECTION 6

COST OF GOODS SOLD

Sheet: COGS | SaaS Delivery Costs

COGS captures all costs *directly attributable to delivering the SaaS service*. These are per-customer variable costs that scale with the customer base. All rates are driven by Assumptions — change the per-customer cost and COGS adjusts for all 60 months automatically.

Cost Component	Row	Formula	Assumption
Cloud Hosting / Infrastructure	4	= Hosting Cost × Total Active Customers	B43: $4.50/cust/mo
3rd-Party APIs & Integrations	5	= API Cost × Total Active Customers	B44: $1.20/cust/mo
Payment Processing Fees	6	= Total MRR × Processing Rate	B45: 2.5%
Customer Support	7	= Support Cost × Total Active Customers	B46: $3.00/cust/mo
Onboarding / Implementation	8	= Paid Conversions × $150 per onboard	Hardcoded $150
TOTAL COGS	9	= SUM(Rows 4–8)	—
GROSS PROFIT	10	= Total Revenue – Total COGS	—
GROSS MARGIN %	11	= Gross Profit ÷ Total Revenue	—

FORMULA

Gross Margin (row 11) feeds the P&L sheet and is used in the Unit Economics LTV calculation: LTV = ARPA × Gross Margin % × Average Customer Life. Target: 70%+ at scale for a healthy SaaS business.

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SECTION 7

HIRING PLAN & PAYROLL

Sheet: Hiring | 51 Named Roles

The Hiring sheet contains **51 individual roles** across six departments, each with a specific hire month, base salary, and fully-loaded compensation (benefits + payroll tax). The annual cost of each hire is computed only for the months they are active.

Department	Roles	Key Hires	Yr1 HC
Sales	10	VP Sales (Mo3), 5× AEs, 4× SDRs	5
Marketing	6	VP Marketing (Mo4), Content, DemandGen, SEO	3
Product	6	CPO (Mo1), 2× PMs, 2× UX Designers	4
Engineering	15	CTO (Mo1), 6× Backend, 3× Frontend, 2× DevOps	9
Customer Success	8	VP CS (Mo4), 5× CSMs, 2× Onboarding Specs	3
G&A	7	CEO, CFO (Mo6), HR, Legal, Finance	4
TOTAL	51	—	28

Payroll Formula

```
Total Comp = Base Salary × (1 + Benefits Rate + Payroll Tax Rate) = Base × (1 + 18% + 7.5%)
Annual Cost (Yr N) = (Total Comp ÷ 12) × Months Active in Year N
```

The **Benefits Rate** (Assumptions B50) and **Payroll Tax Rate** (Assumptions B51) apply to all 51 roles. Changing these two cells adjusts the entire payroll model instantly. The annual merit increase (Assumptions B52, default 4%) is factored into multi-year planning.

> **TIP**
> Headcount Summary (below the hire table): shows cumulative headcount at the end of each fiscal year — Yr1: 28, Yr2: 38, Yr3: 45, Yr4: 49, Yr5: 51. These totals feed the Revenue per Employee metric in the Dashboard.

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SECTION 8

OPERATING EXPENSE MODEL

Sheet: OpEx | Department-Level Spend

The OpEx sheet breaks operating expenses into four departments, each with payroll loaded from the Hiring plan plus direct non-payroll spend. All 60 months are modeled with growing spend in line with the business trajectory.

Department	Rows	Components	Total R
Sales & Marketing	4–8	Sales payroll, Marketing payroll, Paid ads, CRM tools, Marketing software + Commissions (8% of reve	9
Product & Engineering	12–14	Product payroll, Engineering payroll, R&D tools & licenses	15
Customer Success	18–19	CS payroll, CS software & tools, Training & enablement	20
G&A	23–27	G&A payroll, Legal, Accounting, Insurance, Office & facilities, HR & recruiting	28
TOTAL OPEX	30	= Row 9 + Row 15 + Row 20 + Row 28	30

NOTE

SALES COMMISSIONS (included in row 9 total): modeled as 8% of monthly revenue. To adjust: the commission rate is embedded in the S&M total formula. Update the 0.08 coefficient in each column's row 9 formula if your commission structure differs.

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SECTION 9

UNIT ECONOMICS

Sheet: UnitEcon | CAC, LTV, Payback Period

Unit economics are the **defining metrics of SaaS business quality**. Investors benchmark LTV/CAC ≥ 3× as the minimum threshold for capital efficiency. CAC payback under 18 months signals a healthy growth engine.

Metric	Row	Formula	Target Benchmark
Blended CAC	4	= Funnel!B21 (weighted channel avg)	< $500 early stage
ARPA (monthly)	11	= Revenue Year-End ARPA (row 35)	Grows with upsell
Gross Margin %	12	= COGS Year-End Gross Margin (row 11)	> 70%
Avg Monthly Churn	13	= AVERAGE(4 tier churn rates)	< 3% blended
Avg Customer Life (mo)	14	= 1 ÷ Avg Monthly Churn	> 33 months
LTV	15	= ARPA × Gross Margin % × Customer Life	> 3× CAC
LTV / CAC Ratio	18	= LTV ÷ Blended CAC	≥ 3.0×
CAC Payback (months)	19	= CAC ÷ (ARPA × Gross Margin %)	< 18 months
Contribution Margin	20	= ARPA × Gross Margin %	Growing YoY
Revenue per Employee	23	= Annual Revenue ÷ Headcount (÷1000 → $K)	> $150K
ARR per Employee	24	= ARR ÷ Headcount (÷1000 → $K)	> $150K

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SECTION 10

INCOME STATEMENT (P&L)

Sheet: P&L | GAAP Basis | 60 Months + Annual

The P&L; is fully integrated — every line item links back to its source sheet. **Do not edit any cell in the P&L; directly.** All changes flow from Revenue, COGS, OpEx, and Capital sheets.

Line Item	Row	Source Formula
Subscription Revenue	4	= Revenue!{col}38 (Total MRR)
Expansion Revenue	5	= Revenue!{col}27 (Expansion MRR)
Reactivation Revenue	6	= Revenue!{col}30 (Reactivation MRR)
TOTAL REVENUE	7	= SUM(Rows 4–6)
Infrastructure & APIs	9	= COGS rows 4+5
Payment Processing	10	= COGS row 6
Support & Onboarding	11	= COGS rows 7+8
TOTAL COGS	12	= COGS!{col}9
GROSS PROFIT	13	= Total Revenue – Total COGS
Gross Margin %	14	= Gross Profit ÷ Total Revenue
Sales & Marketing	16	= OpEx!{col}9 (S&M total)
Product & Engineering	17	= OpEx!{col}15
Customer Success	18	= OpEx!{col}20
G&A	19	= OpEx!{col}28
TOTAL OPEX	20	= OpEx!{col}30
EBITDA	21	= Gross Profit – Total OpEx
EBITDA Margin %	22	= EBITDA ÷ Total Revenue
D&A (est.)	23	= –COGS × 10% (amortisation estimate)
EBIT	24	= EBITDA + D&A
Interest Income	25	= Prior Month Capital Cash Balance × 4% ÷ 12
EBT (Pre-Tax)	26	= EBIT + Interest
Income Tax	27	= MAX(0, EBT × 21%)
NET INCOME	28	= EBT – Tax

TIP

ANNUAL SUMMARY COLUMNS (BL–BP): Each fiscal year column shows full-year sums for revenue, COGS, gross profit, EBITDA, and net income. Margin % rows show year-end values rather than annual averages.

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SECTION 11

CASH FLOW STATEMENT

Sheet: CashFlow | Indirect Method | 60 Months

The Cash Flow Statement uses the **indirect method**, starting from net income and adjusting for non-cash items and working capital changes. The ending cash balance feeds the Balance Sheet and Capital runway calculation.

Section	Row	Key Components
OPERATING ACTIVITIES	3	
Net Income	4	= P&L row 28
+ D&A Add-back	5	= –P&L row 23 (add back non-cash charge)
+ Change in AR	6	= –(Revenue Change) × DSO ÷ 30
+ Change in AP	7	= (OpEx Change) × AP Days ÷ 30
+ Deferred Revenue	8	= Monthly Revenue × 5% (annual billings)
OPERATING CASH FLOW	9	= SUM(Rows 4–8)
INVESTING ACTIVITIES	10	
CapEx (Capitalized Sw)	11	= –Revenue × 3% (software development)
INVESTING CASH FLOW	13	= SUM(Rows 11–12)
FINANCING ACTIVITIES	14	
Equity Raised	15	= Capital!{col}14 (funding injection this month)
FINANCING CASH FLOW	17	= SUM(Rows 15–16)
NET CHANGE IN CASH	18	= OCF + Investing CF + Financing CF
Beginning Cash	19	= Prior Month Ending Cash
ENDING CASH BALANCE	20	= Net Change + Beginning Cash

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SECTION 12

BALANCE SHEET

Sheet: BalSheet | 5-Year Annual Snapshots

The Balance Sheet presents year-end snapshots for FY2025–FY2029. It is **automatically balanced** — Total Assets always equals Total Liabilities + Equity. All items link to upstream sheets; no direct entry required.

Item	Col (Yr)	Formula / Source
ASSETS		
Cash & Equivalents	B–F	= CashFlow!{yr_end_col}20
Accounts Receivable	B–F	= Revenue × DSO ÷ 30 (Assumptions B58)
Prepaid & Other CA	B–F	= Revenue × 2%
TOTAL CURRENT ASSETS	B–F	= Cash + AR + Prepaid
Capitalized Software	B–F	= Revenue × 3% × 12 (annual capitalised dev)
Accumulated D&A	B–F	= –P&L Annual D&A (row 23 annual col)
TOTAL ASSETS	B–F	= Current Assets + Fixed Assets
LIABILITIES		
Accounts Payable	B–F	= OpEx × AP Days ÷ 30 (Assumptions B59)
Deferred Revenue	B–F	= Revenue × 5%
Accrued Liabilities	B–F	= OpEx × 8%
TOTAL LIABILITIES	B–F	= AP + Deferred + Accrued
EQUITY		
Paid-In Capital	B–F	= Cumulative equity raised per round ($1M→$130M)
Retained Earnings	B–F	= Cumulative sum of annual net income
TOTAL EQUITY	B–F	= Paid-In Capital + Retained Earnings
TOTAL LIAB. + EQUITY	B–F	= Total Liabilities + Total Equity (= Total Assets)

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SECTION 13

CAPITAL & FUNDRAISING MODEL

Sheet: Capital | Funding Rounds, Dilution, Runway

The Capital sheet models five funding rounds, tracks cumulative capital raised, shows ownership dilution, and maintains a **rolling 60-month cash balance and runway**.

Round	Raise Month	Capital Raised	Pre-Money Val.	Post-Money Val.	Founder Own	Investor C
Pre-Seed	Month 1	$1,000,000	$5,000,000	$6,000,000	80%	20%
Seed	Month 3	$4,000,000	$15,000,000	$19,000,000	65%	35%
Series A	Month 10	$15,000,000	$60,000,000	$75,000,000	50%	50%
Series B	Month 26	$35,000,000	$175,000,000	$210,000,000	38%	62%
Series C	Month 42	$75,000,000	$450,000,000	$525,000,000	28%	72%
TOTAL	—	$130,000,000	—	—	—	—

Cash Balance & Runway (Rows 13–18)

```
Beginning Cash[t] = Ending Cash[t-1] Capital Raised[t] = Funding injection if this is a raise month, else 0 Operating CF[t] = P&L; Net Income[t] (simplified OCF proxy) Ending Cash[t] = Beginning + Capital Raised + Operating CF Monthly Burn[t] = -MIN(0, Operating CF[t]) [positive when burning] Runway[t] = Ending Cash ÷ Monthly Burn [months remaining]
```

NOTE

The model assumes a simplified OCF = Net Income. For more precision, use the CashFlow sheet's operating cash flow (row 9) as your burn reference. The Capital sheet's runway is a quick conservative proxy.

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SECTION 14

SCENARIO ANALYSIS

Sheet: Scenarios | Conservative / Base / Aggressive

Three operating scenarios are presented side-by-side with automatic % delta vs base case. This is designed for **board presentations and investor conversations** — you can show a range of outcomes anchored to specific driver assumptions.

Driver	Conservative	Base Case	Aggressive
Monthly Churn (blended)	5.0%	**3.2%**	1.8%
Trial → Paid Conversion	15%	**22%**	30%
Expansion MRR Rate	1.2%	**2.0%**	3.0%
Blended CAC	$450	**$350**	$250
Yr1 ARR	$290K	**$450K**	$680K
Yr3 ARR	$2.8M	**$5.2M**	$8.1M
Yr5 ARR	$11M	**$24M**	$42M
Yr5 Gross Margin	72%	**78%**	84%
Yr5 NRR	100%	**108%**	118%
Yr5 LTV/CAC	2.5×	**3.8×**	5.5×
CAC Payback Period	26 months	**18 months**	12 months
Breakeven Month	Month 48	**Month 34**	Month 24
Total Capital Required	$160M	**$130M**	$100M

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SECTION 15

SENSITIVITY ANALYSIS

Sheet: Sensitivity | Two Heatmap Tables

The Sensitivity sheet contains two color-coded heatmap tables that show how key outputs respond to changes in two drivers simultaneously. **Green = outperforming base, amber = within range, red = underperforming.**

Table	Row Variable	Column Variable	Output	Location
Table 1	Monthly Churn Rate (1.0% → 7.0%)	Blended CAC ($150 → $1,000)	Year-3 ARR ($)	Rows 5–11
Table 2	Monthly ARPU ($29 → $450)	Monthly Churn Rate (1.0% → 10.0%)	Year-3 Gross Margin (%)	Rows 17–23

TIP

HOW TO READ THE HEATMAPS: Each cell represents the modeled output for that combination of drivers. GREEN (≥120% of base) means outperformance. AMBER (80–120% of base) is within the expected range. RED (<80%) signals risk. The base case cell sits at approximately churn=3.2%, CAC=$350 in Table 1.

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SECTION 16

KPI DASHBOARD

Sheet: Dashboard | Executive Summary | 5-Year View

The Dashboard is a single-sheet executive summary showing all critical SaaS KPIs for each of the five fiscal years. It is designed for **board presentations, investor updates, and management reporting** — all numbers link live from their source sheets.

KPI	Source Formula	Category
ARR (Year-End)	= Revenue Annual Col, Row 33	Growth
ARR Growth YoY %	= (ARR_t ÷ ARR_t-1) – 1	Growth
MRR (Year-End)	= Revenue Annual Col, Row 31	Growth
Total Revenue	= P&L Annual Col, Row 7	Growth
Active Customers	= Revenue Year-End Col, Row 20	Growth
Blended CAC	= Funnel!B21 (same for all years)	Efficiency
LTV	= UnitEcon Col, Row 15	Efficiency
LTV / CAC Ratio	= UnitEcon Col, Row 18	Efficiency
CAC Payback (months)	= UnitEcon Col, Row 19	Efficiency
Magic Number	= Net New ARR ÷ Prior Year S&M Spend	Efficiency
Gross MRR Churn %	= AVERAGE of monthly churn for that year	Retention
Net Revenue Retention %	= Revenue Year-End Col, Row 36	Retention
ARPA ($/month)	= Revenue Year-End Col, Row 35	Retention
Gross Margin %	= COGS Year-End Col, Row 11	Profitability
EBITDA	= P&L Annual Col, Row 21	Profitability
EBITDA Margin %	= P&L Annual Col, Row 22	Profitability
Net Income	= P&L Annual Col, Row 28	Profitability
Burn Multiple	= |Net Income| ÷ ARR	Profitability
Total Headcount	= Hiring Year-End Headcount	Operations
Revenue per Employee $K	= Revenue ÷ Headcount ÷ 1,000	Operations
Cash Balance	= CashFlow Year-End Col, Row 20	Operations
Runway (months)	= Capital Year-End Col, Row 18	Operations

TIP

CAGR COLUMN (Column G): Automatically calculates the 4-year Compound Annual Growth Rate for highlighted metrics using = (Yr5 ÷ Yr1)^(1/4) – 1. This is the number investors will focus on in fundraising discussions.

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SECTION A

KPI DEFINITIONS & FORMULAS

Appendix

Complete reference for all key performance indicators used throughout the model.

KPI	Definition	Formula	Healthy Range
MRR	Monthly Recurring Revenue — normalized monthly subscription revenue	Sum of monthly subscription revenue from active customers	Growing >10% MoM early
ARR	Annual Recurring Revenue — annualized MRR	MRR × 12	>$1M = "real" SaaS
NRR	Net Revenue Retention — revenue from existing cohort including expansion and churn	(Existing MRR + Expansion − Churn − Contraction) ÷ Prior MRR	>100% = self-funding growth
CAC	Customer Acquisition Cost — fully-loaded cost to acquire new customers	Total S&M Spend ÷ New Customers	<$500 SMB, <$5K enterprise
LTV	Customer Lifetime Value — total gross profit from a customer	ARPA × Gross Margin % × (1 ÷ Monthly Churn)	>3× CAC
LTV/CAC	Ratio of lifetime value to acquisition cost	LTV ÷ CAC	≥3.0× (>5× = exceptional)
Payback	Months to recoup CAC from gross margin	CAC ÷ (ARPA × Gross Margin %)	<18 months
Magic #	Net ARR added per dollar of S&M spend last quarter	Net New ARR This Quarter ÷ Prior Quarter S&M	>0.75 good, >1.0 great
Burn Mult	Capital burned per dollar of ARR added	Net Burn ÷ Net New ARR	<2× good, <1× elite
ARPA	Average Revenue Per Account per month	Total MRR ÷ Total Active Customers	Rising over time
Churn	Rate at which MRR or customers are lost monthly	Lost MRR ÷ Beginning MRR (or Lost Customers ÷ Beginning Customers)	<2% monthly for SMB, <1% enterprise
Runway	Months of cash remaining at current burn rate	Cash Balance ÷ Monthly Burn	>18 months always
EBITDA	Earnings before interest, tax, depreciation & amortization	Gross Profit − Operating Expenses	Positive by Yr3–4
Rule of 40	ARR Growth % + EBITDA Margin % — balanced growth & profitability	ARR YoY Growth % + EBITDA Margin %	≥40 is excellent

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SECTION B

ASSUMPTION QUICK REFERENCE

All Inputs & Default Values

Complete reference of every assumption cell in the model. All cells are in Column B of the Assumptions sheet.

Row	Assumption	Default	Impact If Increased
B5	TAM ($B)	$12B	Higher market potential
B6	Target Market Share Yr5	1.5%	Higher revenue ceiling
B7	Market CAGR	18%	Faster opportunity growth
B11	Starter Price ($/mo)	$29	Higher MRR per Starter customer
B12	Pro Price ($/mo)	$99	Higher MRR per Pro customer
B13	Business Price ($/mo)	$299	Higher MRR per Business customer
B14	Enterprise Price ($/mo)	$999	Higher MRR per Enterprise customer
B15	Annual Discount	15%	Lower effective price for annual payers
B19	Starter Monthly Churn	5.5%	More Starter customers lost per month
B20	Pro Monthly Churn	3.5%	More Pro customers lost per month
B21	Business Monthly Churn	2.5%	More Business customers lost per month
B22	Enterprise Monthly Churn	1.0%	More Enterprise customers lost per month
B23	Expansion MRR Rate	2.0%	More upsell / seat growth
B24	Contraction Rate	0.5%	More downgrades
B25	Reactivation Rate	8.0%	More churned customers returning
B29	CAC — Paid Ads	$480	Higher marketing spend per customer
B30	CAC — SEO/Content	$220	Higher organic acquisition cost
B31	CAC — Referral	$150	Higher referral program cost
B32	CAC — Outbound	$620	Higher SDR/AE cost per customer
B33	Visitor → Signup Conv.	3.5%	More site visitors become signups
B34	Signup → Trial Conv.	55%	More signups start trials
B35	Trial → Paid Conv.	22%	More trials convert to paying
B36	Paid Ads Channel Mix	35%	More revenue attributed to paid
B37	SEO Channel Mix	28%	More revenue attributed to organic
B38	Referral Channel Mix	17%	More revenue via referrals
B39	Outbound Channel Mix	20%	More revenue via outbound sales
B43	Hosting Cost/Customer/Mo	$4.50	Higher infrastructure COGS
B44	API Cost/Customer/Mo	$1.20	Higher third-party COGS

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Row	Assumption	Default	Impact If Increased
B45	Payment Processing Fee	2.5%	Higher payment COGS
B46	Support Cost/Customer/Mo	$3.00	Higher support COGS
B50	Benefits Load	18%	Higher total payroll cost
B51	Payroll Tax Rate	7.5%	Higher total payroll cost
B52	Annual Merit Increase	4.0%	Higher salary growth over time
B53	Recruiting Cost per Hire	$8,000	Higher G&A recruiting costs
B57	Income Tax Rate	21%	Lower net income after tax
B58	AR Days (DSO)	30 days	Higher working capital usage
B59	AP Days	30 days	Slower payable release
B60	Min Cash Reserve	$500K	Higher required cash floor

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SECTION C

TROUBLESHOOTING & FAQS

Common Questions & Solutions

Q: Why does changing a number not update the model?

A: Ensure Excel/Sheets calculation is set to Automatic (Formulas → Calculation Options → Automatic). Press F9 (Windows) or Cmd+= (Mac) to force recalculate.

Q: What does a #REF! error mean?

A: A cell reference is broken — usually caused by deleting a row or column. Press Ctrl+Z immediately to undo, or trace the error with the Error Checking tool in Excel.

Q: Why does the Balance Sheet not balance?

A: Check the Retained Earnings formula (row 20) — it should sum ALL annual net income columns from P&L.; Also verify Paid-In Capital matches cumulative funding rounds in Capital sheet.

Q: How do I model a different pricing tier structure?

A: Change the prices in Assumptions B11–B14 for instant impact. To rename tiers, update labels in column A of the Revenue sheet (these are display only and do not affect formulas).

Q: How do I add a new employee?

A: The Hiring sheet supports up to 51 roles. To add more: insert a new row above the TOTAL row, enter the department, role, hire month, and salary. Update the TOTAL SUM range to include the new row. Then add the person's monthly payroll to the appropriate OpEx department section.

Q: Can I change the model start date?

A: The month labels (Jan 2025 – Dec 2029) are hardcoded in row 2 of each monthly sheet. To change the start date, update these labels and adjust the hire month numbers in the Hiring sheet accordingly (they are relative to the model start).

Q: How are the Scenario numbers calculated?

A: The Scenarios sheet is a standalone reference — it does not automatically update from the main model. It is designed to be a manually-curated narrative for investor presentations. Run your three scenarios by changing Assumptions and record the resulting KPIs here.

Q: What is the Magic Number and how do I improve it?

A: Magic Number = Net New ARR ÷ Prior Year S&M; Spend. A value >0.75 is good; >1.0 is great. Improve it by: (1) reducing CAC via channel mix shift to lower-cost channels, (2) increasing conversion rates, (3) improving expansion revenue to grow NRR.

Q: How does the interest income calculation work?

A: Interest income (P&L; row 25) uses the prior month's ending cash balance × 4% annual rate ÷ 12. This avoids a circular reference with the current month's cash balance. The 4% rate is hardcoded in the formula — change it directly in the P&L; row 25 formulas if your modeled interest rate differs.

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Q: How do I stress-test the model quickly?

A: Use the Sensitivity sheet heatmaps for a visual range of outcomes. For a quick single-variable test: change one Assumption cell, note the Dashboard KPI impacts, then revert. For structured analysis, copy the Scenarios sheet approach — record KPIs at three assumption levels and present as a range.

Model Version: v1.0 | **Formulas:** 5,984 | **Sheets:** 16 | **Monthly Periods:** 60 | **Annual Summaries:** 5 | **Roles Modeled:** 51

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