RevOps²

B2B SaaS BENCHMARKS 2022 REPORT

Prepared by RevOps Squared

Summary

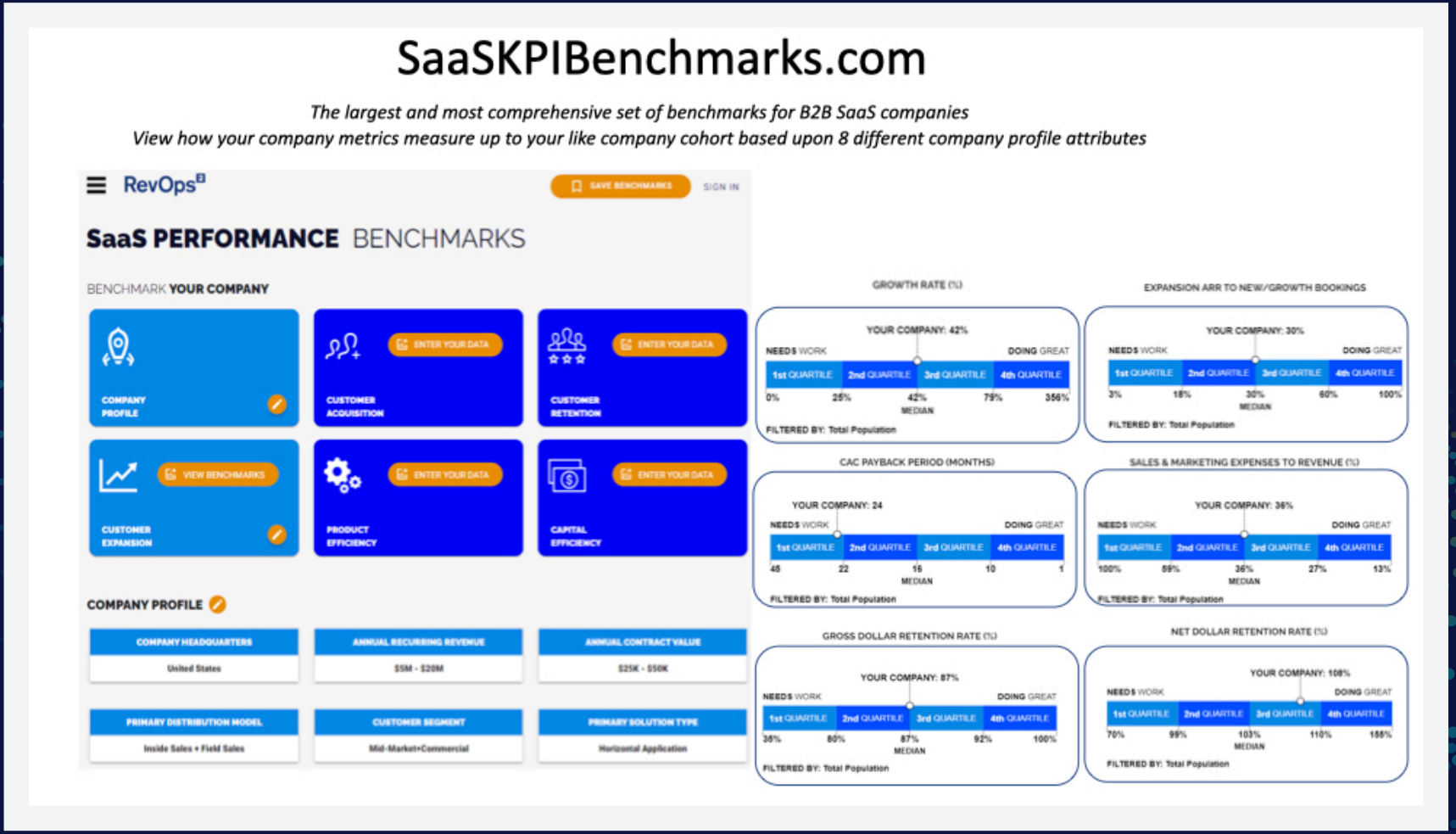
This report is a summary of the benchmarks gathered and calculated in the first half of 2022

Visit us at

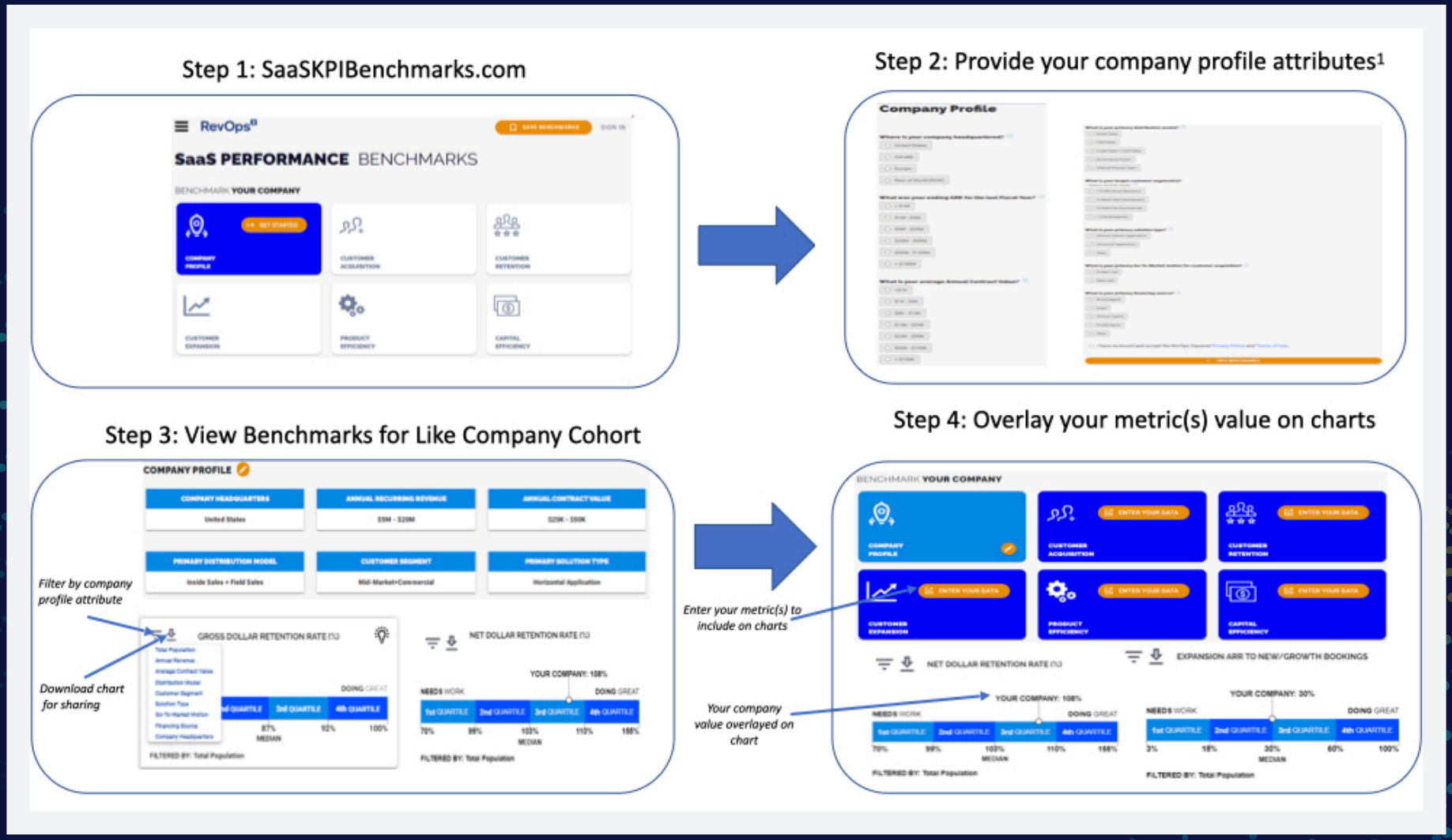
RevOpsSquared.com
SaaSKPIBenchmarks.com

Special Thanks to Our 2022 SaaS Performance Metrics Benchmark Report Partners

Four easy steps to see how your metrics measure up to industry benchmarks



Learn about SaaSKPIBenchmarks.com by viewing our tutorial here



REVOPS SQUARED 2022 BENCHMARK RESEARCH SUMMARY

In June and July 2022, RevOps Squared partnered with a varity of leading B2B SaaS vendors, CFO outsourcing companies and advisory services firms to collect data from 878 private B2B SaaS companies.

Collected B2B SaaS and Cloud Key performance data includes 15 metrics grouped into five categories, including: 1) Capital Efficiency; 2) Operational Efficiency; 3) Customer Acquisition Efficiency; 4) Customer Expansion Efficiency and; 5) Customer Retention Efficiency.

All data is segmented into cohorts by the following company profile: 1) Company Size; 2) Average Annual Contract Value; 3) Distribution Model; 4) Target Customer Market; 5) Solution Type; 6) Go-To-Market Motion; 7) Primary Financing Source; and 8) Company HQ location.

All collected data was anonymized, aggregated and normalized to exclude any outliers that are greater than two standard deviations from the mean.

For context, we have provided a few, select historical benchmarks for 2021, 2020, and 2019. For illustration purposes, we have also provided select elements of more granular, broader and context based benchmarks that are available in an interactive session at **SaaSKPIBenchmarks.com**

B2B SaaS benchmarks are typically collected and published annually, in an executive report format. This approach is valuable for annual planning, and for single dimensional review. We believe that comparing key performance indicators (KPIs) across “like” companies is a valuable evolution in B2B SaaS benchmarking. Cohort-based benchmarks represent a variety of factors that best reflect each company and are critical when: 1) Preparing for a financing event; 2) Presenting company performance to investors and board members; 3) Establishing measurable goals and KPIs that align an executive team.

We appreciate our research partner’s efforts in helping us gather the benchmarks. We’re also thankful to the companies who invested valuable time to include their metrics in the benchmarking process.

All of the benchmarks by cohort are available at **SaaSKPIBenchmarks.com**

Questions about benchmarks, data capture, or analysis can be directed to **rayrike@revopssquared.com**

BENCHMARK SUMMARY

CARR growth rates at median increased and eclipsed 2019 benchmarks

Growth rates in 2021 increased to a median of 42% for the entire population

Growth rates increased dramatically over the previous fiscal year, rising from 23% (median) in 2020 and surpassing the 2019 growth rate of 39%

Rule of 40 reflected the rapid acceleration in growth rates

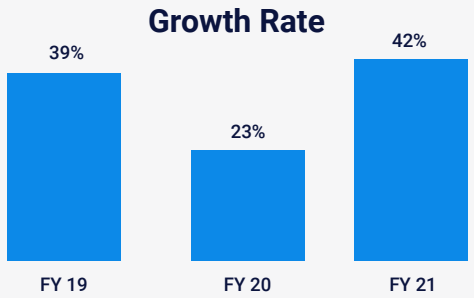
After experiencing a significant dip in 2020 due to the pandemic, Rule of 40 came roaring back in 2021. This is an important indicator that efficient revenue growth has gained in significance in the first half of 2022

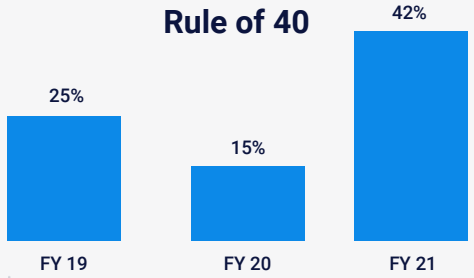
CAC Payback Period length decreased by three months across the entire population, and even decreased two months versus the 2019 median of 18 months

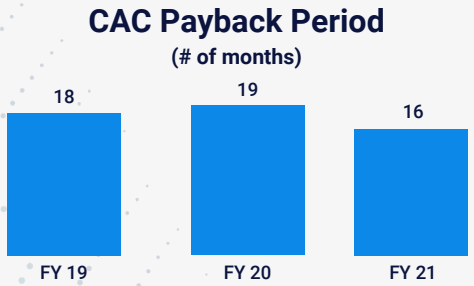
CAC Payback Period reflected the increase in revenue growth efficiency in 2021. The most important correlation for the CAC Payback Period is the Annual Contract Value segmentation

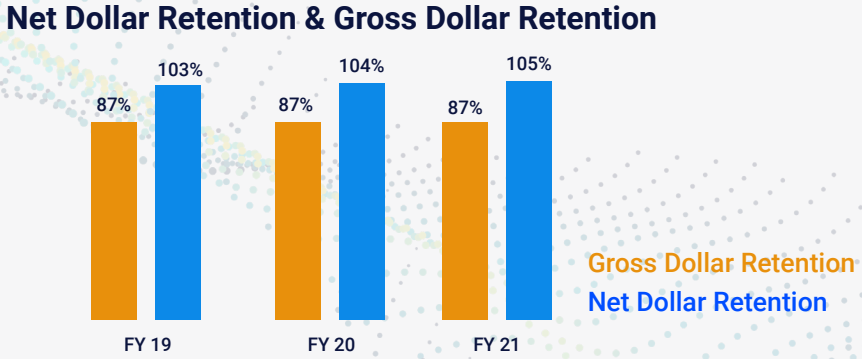
Net Dollar Retention Rates continue to increase slightly year-over-year while Gross Dollar Retention Rates remain flat for the third consecutive year

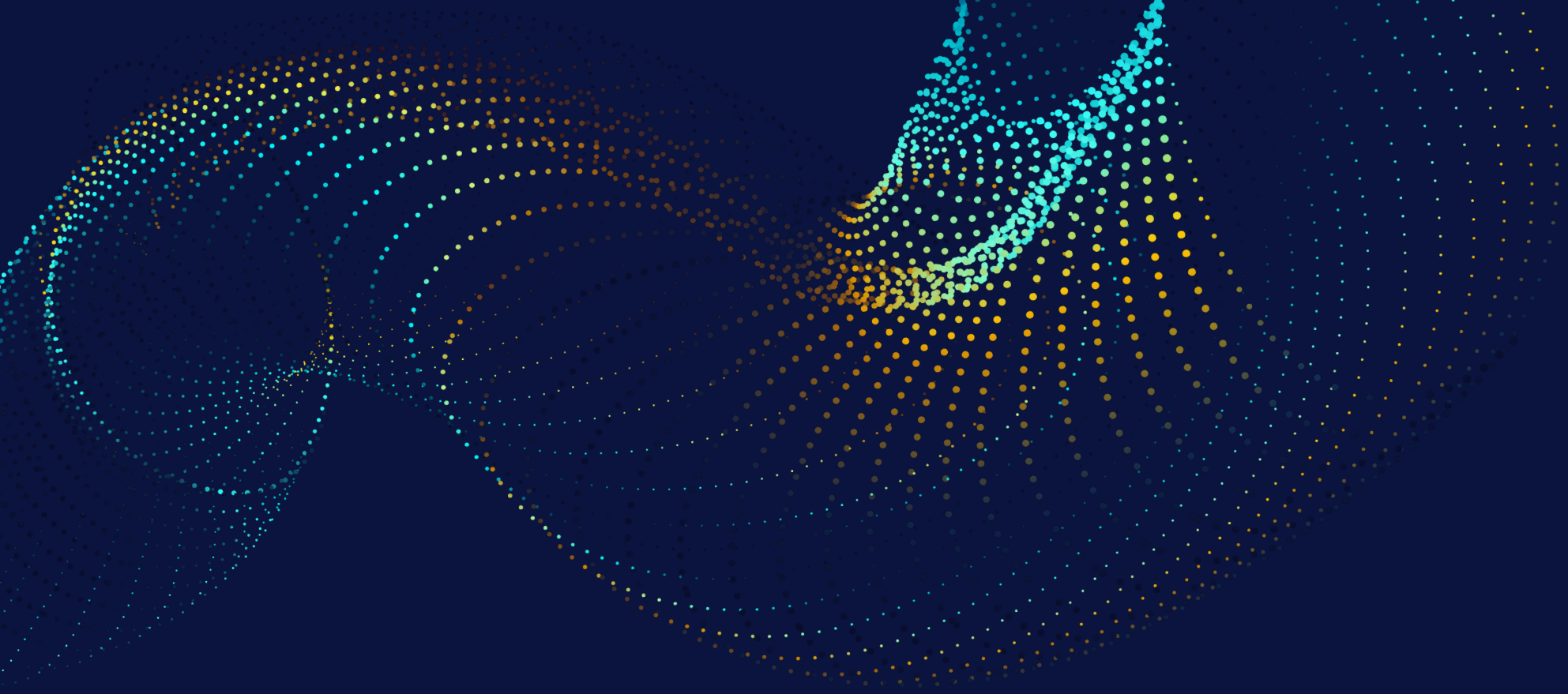
Net Dollar Retention rate was a top priority for many companies in 2021 due to an increased correlation to enterprise value, and the rise of “product-led growth” and “usage-based pricing” as viable go-to-market strategies.











RULE OF 40
GROWTH RATE + EBITDA

RULE OF 40 INSIGHTS

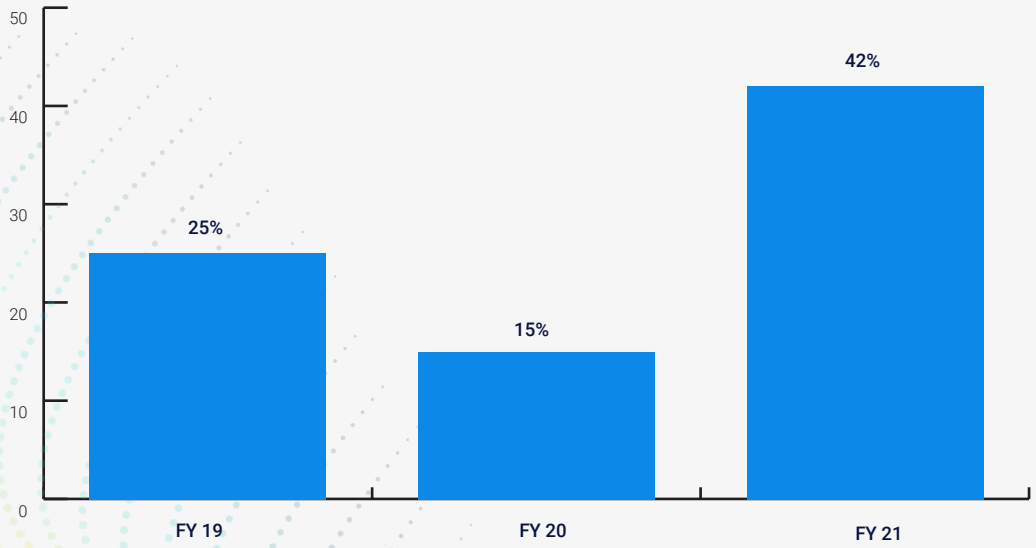
Rule of 40 benchmarks roared back just in time for the increased focus on balancing growth and profitability in 2022 and beyond

This increase was driven by rising growth rates compared to 2020, as well as increased EBITDA across the total population of participants

EBITDA pressure rose in scaling-stage companies ($5M - $100M), and increased even more in the > $100M ARR cohort

From January through September of 2022, the impact of Rule of 40 performance on public B2B SaaS companies Enterprise Value:Revenue multiples has increased by over 3x as measured by R-Squared

Rule of 40
FY 19 - FY 21



RULE OF 40
BY ARR INSIGHTS

Rule of 40 is artificially inflated by the growth rates of companies in the < $5M ARR range. It's not, however, a priority metric for companies in that cohort

Rule of 40 faces pressure in the "scale" stage of growth, which is reflected by the lower results in the $5M - $50M ARR cohorts

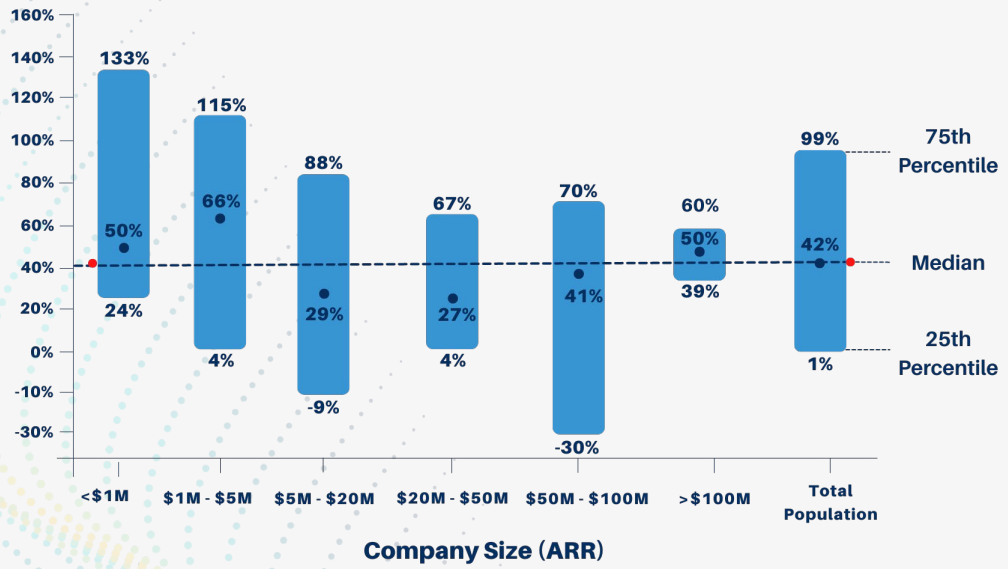
Rule of 40 results in the $50M - $100M have the largest variance which highlights the escape velocity that the top quartile of performers display in this cohort

Rule of 40 Formula:

Year over Year Growth Rate (%) + Free Cash Flow[1] (%)

[1]EBITDA can be used in place of Free Cash Flow

Rule of 40
By ARR



N = 562

GROWTH RATE INSIGHTS

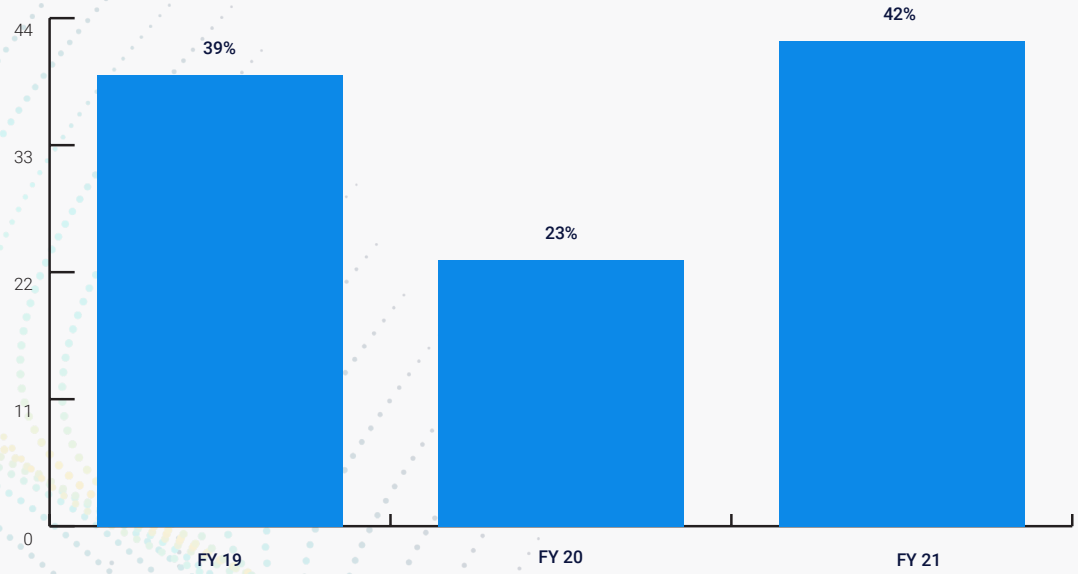
Company growth returned after the depressed levels of 2020 (attributed to the COVID-19 pandemic)

Growth rates increased across all levels of ARR, with a median of 42% in 2021

Growth rates experience the most resistance in the $20M-$50M cohort. This segment also exhibited the largest challenges in growth efficiency metrics across all groups

Growth rate benchmarks should be evaluated based upon similar companies with shared attributes. Examples of these shared attributes include company size, annual contract value, distribution model, and target customers

Company Growth Rate
FY 19 - FY 21



GROWTH RATE INSIGHTS

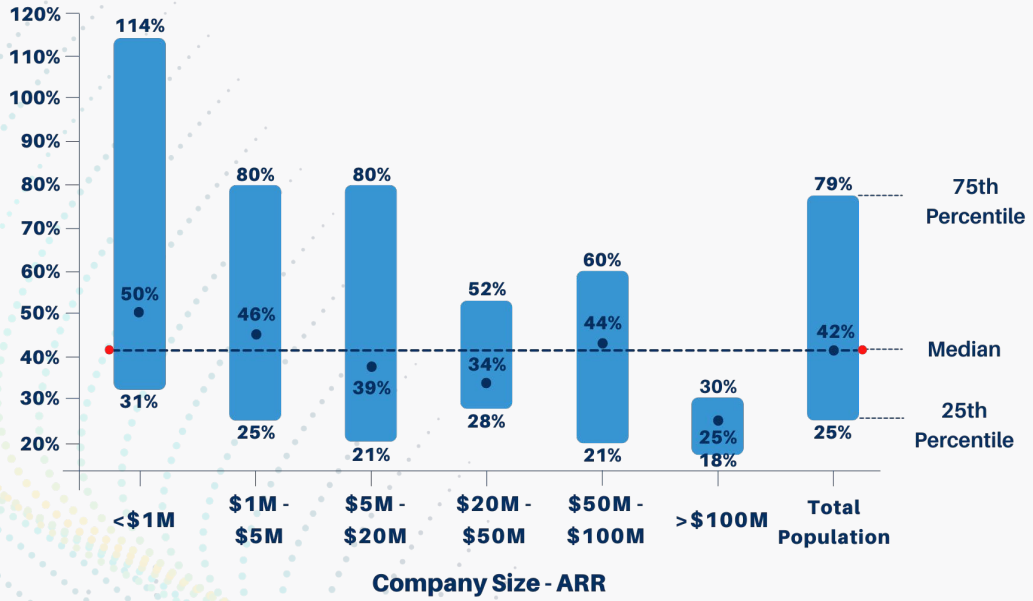
Company growth rates in the $20M - $50M segment faced the largest headwinds, as increased investment in Sales and Marketing requires additional time to translate into growth

Companies in the $50M - $100M range exhibit a reacceleration in growth as earlier investments begin to provide returns

Growth rate continues to be highly correlated to enterprise value:revenue multiples, but is no longer the number one factor. That position now belongs to the Rule of 40. In a cautious capital environment, it's critical to increase growth efficiency (as measured by the Rule of 40 and other efficiency metrics)

Company Growth Rate

By ARR



EBITDA INSIGHTS

EBITDA alongside growth rate is one of the two primary variables typically used in calculating the Rule of 40.

EBITDA is effectively the dollars left after subtracting the Cost of Goods Sold and Operating Expenses from revenue

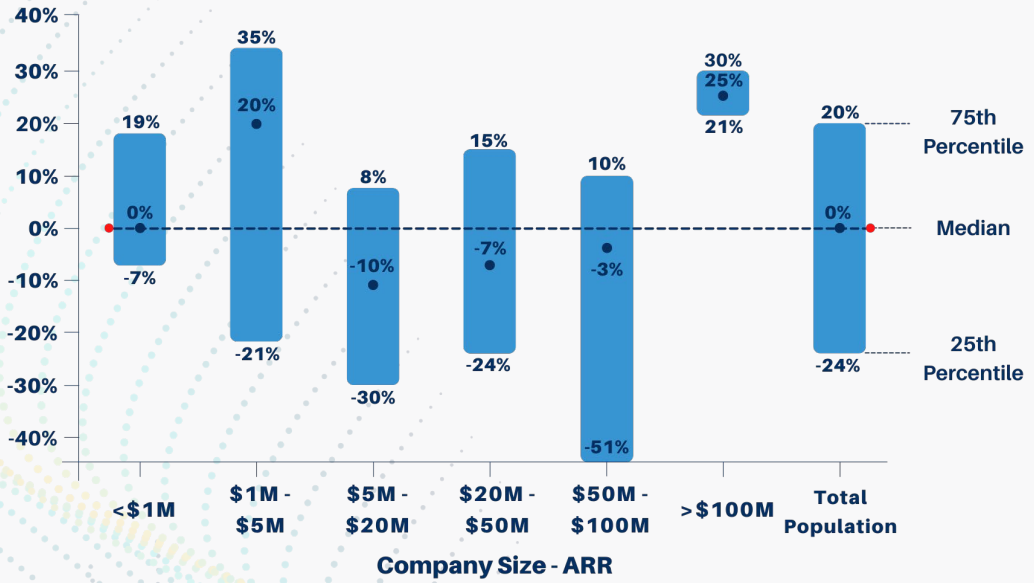
EBITDA is impacted by the following input variables:

- Cost of goods sold
- Sales and marketing expenses
- R&D expenses
- G&A expenses

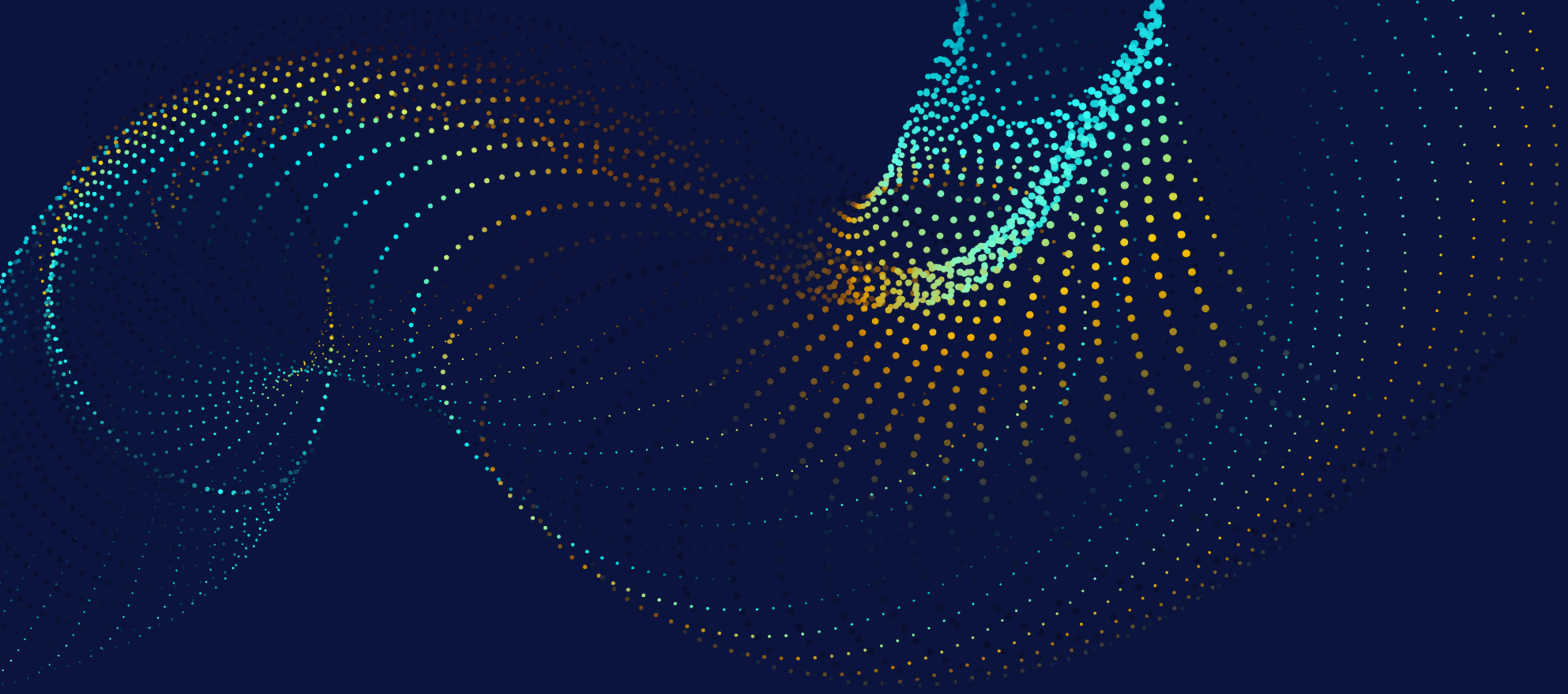
Sales and Marketing expenses are typically the #1 consumer of capital (see pages 39-40)

Optimizing Sales and Marketing ROI requires an understanding of customer acquisition efficiency (pages 15-23) and customer retention and expansion efficacy (pages 26-34)

EBITDA
By ARR



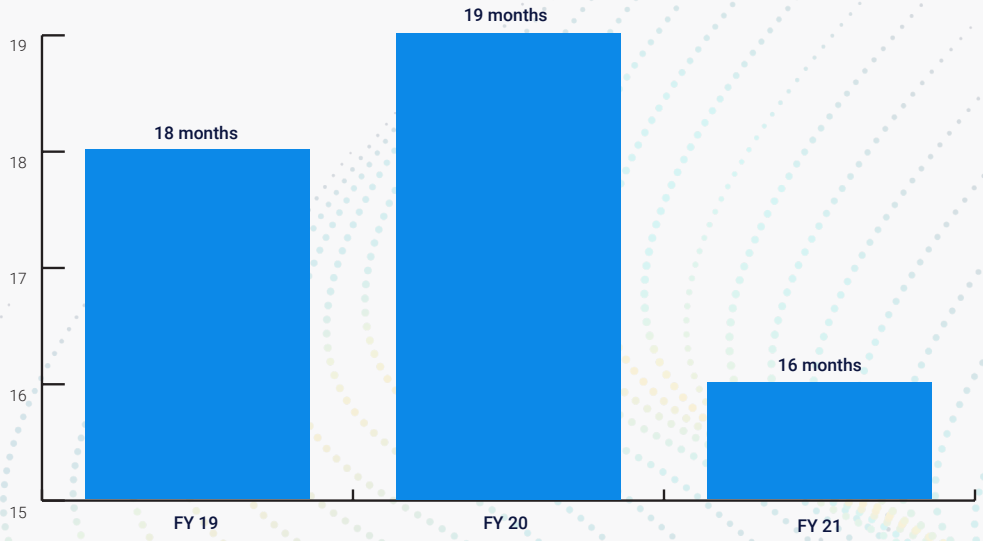
N = 512



CUSTOMER ACQUISITION EFFICIENCY BENCHMARKS

CAC Payback Period

FY 19 - FY 21



CAC PAYBACK PERIOD INSIGHTS

CAC Payback Period:

$$\frac{\text{Sales and Marketing Expenses}}{\text{New CARR x Gross Margin}} \times 12$$

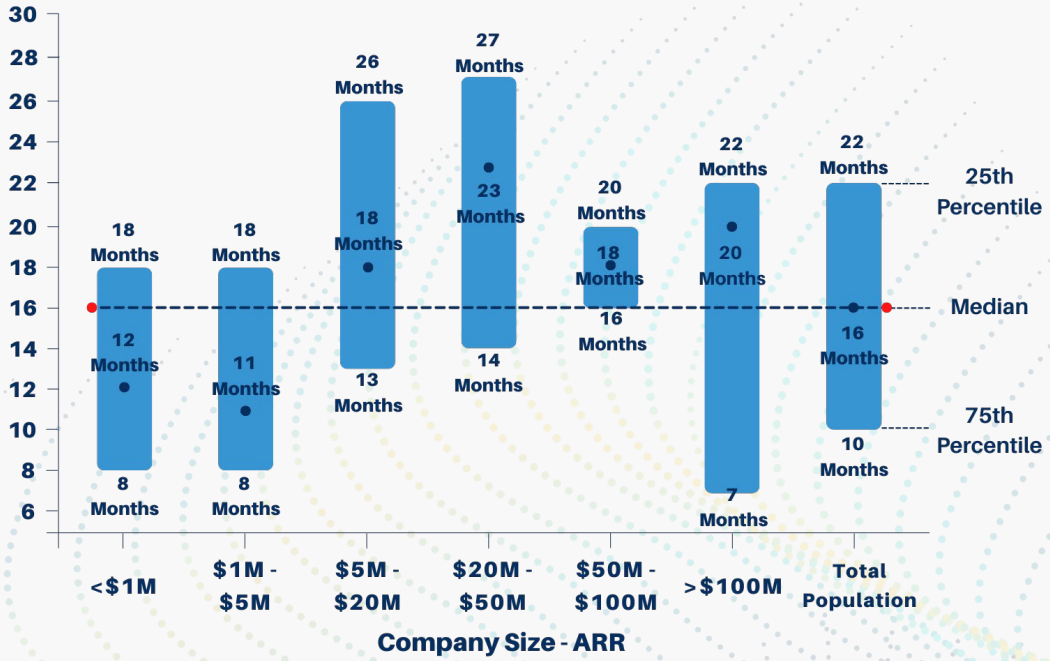
CAC Payback Period across the entire population improved to 16 months at median, representing a 16% improvement over the previous year

CAC Payback Period is specific to new customer logo acquisition and is not impacted by existing customer expansion ARR

CAC Payback Period is most highly correlated to annual contract value (ACV)

CAC Payback Period

By ARR



CAC PAYBACK PERIOD INSIGHTS

CAC Payback Period is correlated to company size (ARR), but has a higher correlation to Annual Contract Value (ACV)

CAC Payback Period should be calculated on a Gross Margin adjusted basis

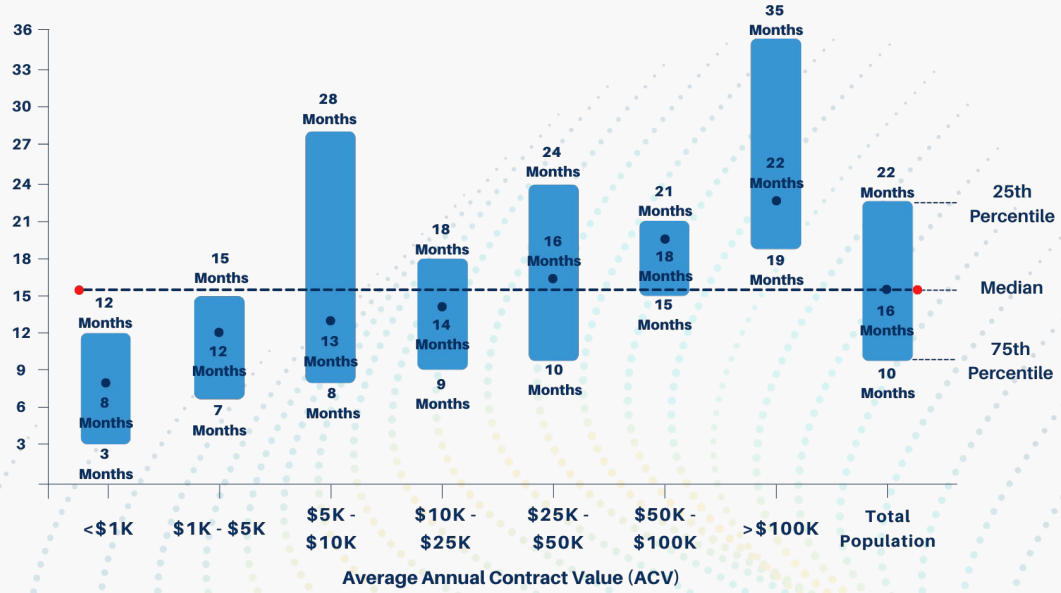
CAC Payback Period can fluctuate dramatically month-over-month in enterprise and commercial market segments if a reporting period includes outlier deal sizes (i.e. 3x average ACV)

CAC Payback Period is best calculated over a rolling three, six and twelve month time frame to normalize outliers in a single month or quarter

N = 623

CAC Payback Period

By ACV



CAC PAYBACK PERIOD INSIGHTS

CAC Payback Period is more instructive when viewed and evaluated against companies with a similar ACV, distribution model and Go-to-Market motion versus evaluating against an industry average or even median for the entire population

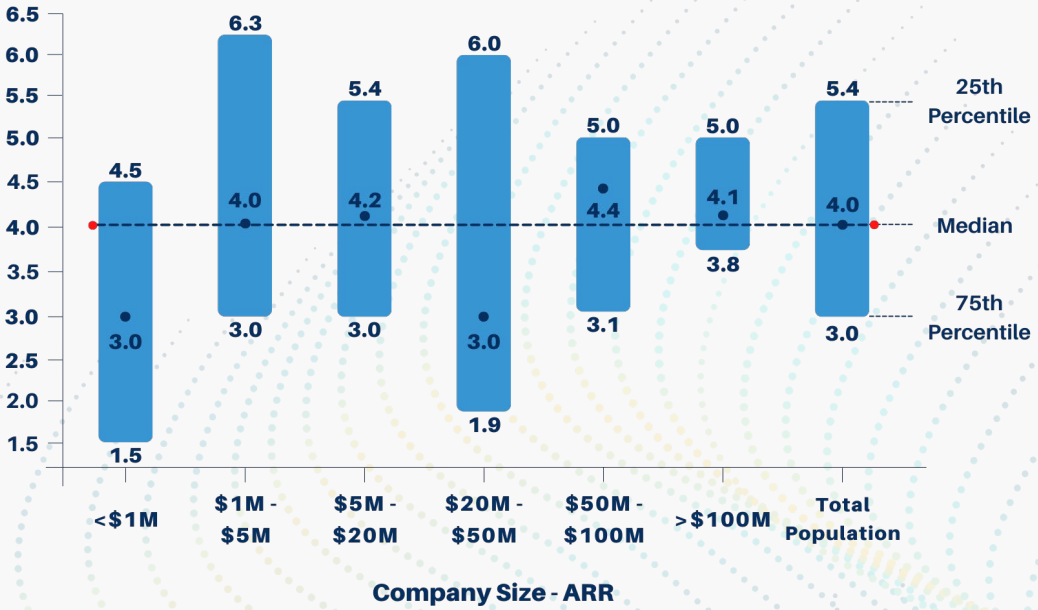
CAC Payback Period should be evaluated in concert with the CAC Ratio, Gross Dollar Retention and Net Dollar Retention. This provides a more holistic picture to understand the efficiency of acquiring, retaining and expanding customer relationships

Segment or cohort based analysis of the CAC Payback Period by not only ACV, but also customer segment and geographic region will provide additional insights into a company's customer acquisition and retention efficacy

N = 623

CLTV:CAC Ratio

By ARR



CUSTOMER LIFETIME VALUE TO CAC RATIO INSIGHTS

Customer Lifetime Value:CAC Ratio

$$\frac{\text{(ARPA x Gross Margin)/Churn Rate}}{\text{Customer Acquisition Cost}}$$

Common wisdom developed five – ten years ago suggests that a 3X result is a good target CLTV:CAC Ratio

Over the past three years, the median benchmark across the total population has remained consistent between 4x – 4.2x

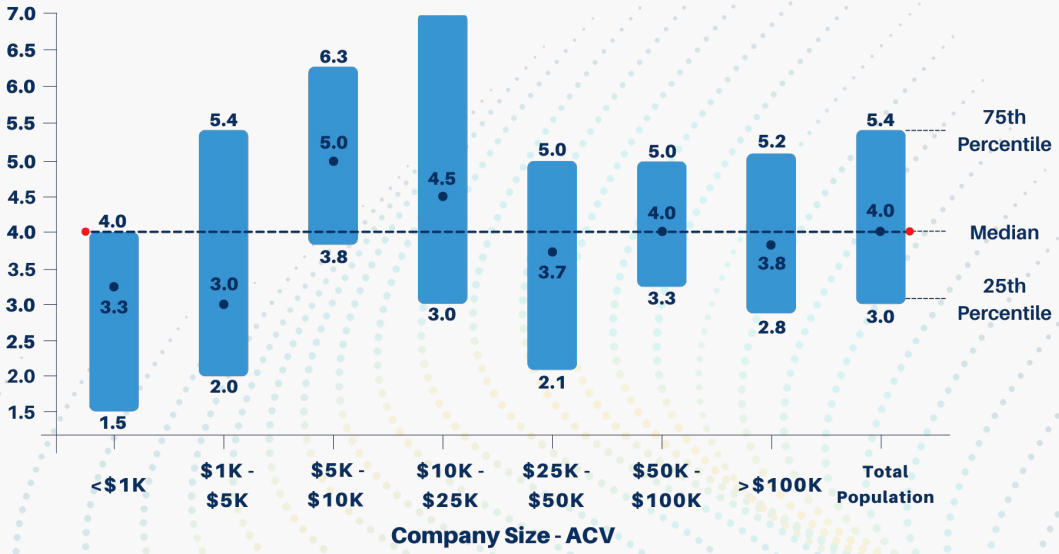
Neither company size (ARR) nor Annual Contract Value (ACV) are highly correlated to the CLTV:CAC Ratio

A key to this metric is that at least 1 - 2 agreement renewal cycles should be completed to establish a more reliable churn rate across renewal periods

N = 547

CLTV:CAC Ratio

By ACV



CLTV:CAC RATIO INSIGHTS

Customer Lifetime Value to Customer Acquisition Cost (CAC) ratio remains fairly consistent across both company size and ACV levels

Customer Lifetime Value is a compound (multi-variable) metric that requires a granular understanding of Average Revenue Per Account, Average Customer Acquisition Cost, churn rate and gross margin. This dependency on a combination of acquisition, retention, and product efficacy makes CLTV:CAC Ratio a favorite metric among investors

Understanding the 2-3 leading indicators that directly impact the lagging indicators included in this metric is critical to increasing a company's CLTV:CAC Ratio

N = 547

CAC RATIO DEFINITION

CAC Ratio has three different versions that measure the efficiency of:

- Acquiring new customer ARR
- Expanding existing customer ARR
- Increasing New ARR + Growth ARR

The three CAC Ratios include:

Blended CAC Ratio

$$\frac{\text{Sales and Marketing Expenses}}{\text{New Customer ARR + Expansion ARR}}$$

New CAC Ratio

$$\frac{\text{Sales and Marketing Expenses}}{\text{New Customer ARR}}$$

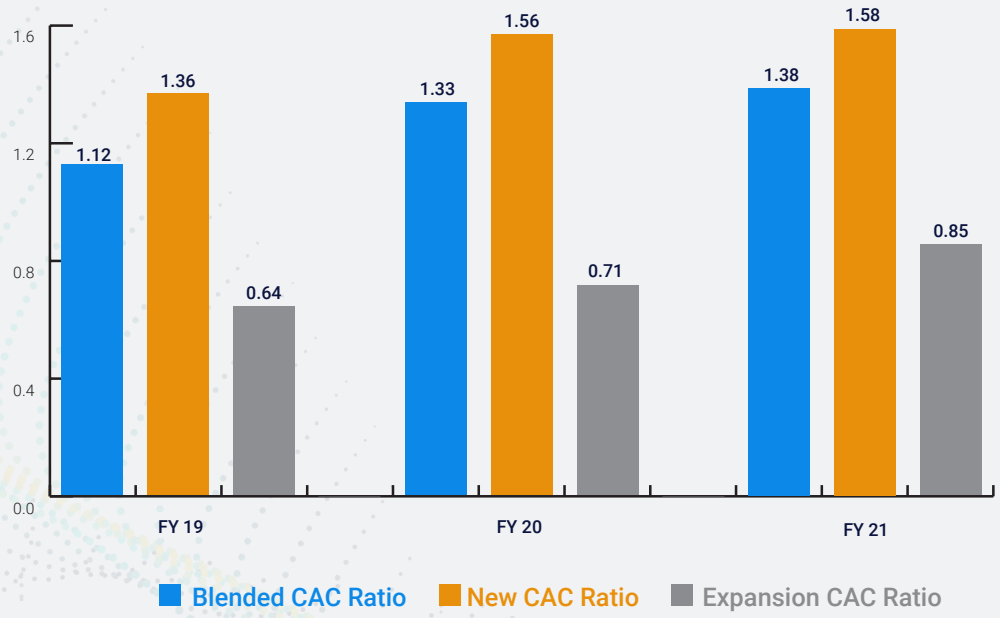
Expansion CAC Ratio

$$\frac{\text{Sales and Marketing Expenses}}{\text{Expansion ARR}}$$

CAC Ratio is an alternative revenue efficiency metric to the SaaS Magic Number. CAC Ratio provides a more granular perspective on the efficiency of New customer ARR and Existing customer expansion ARR

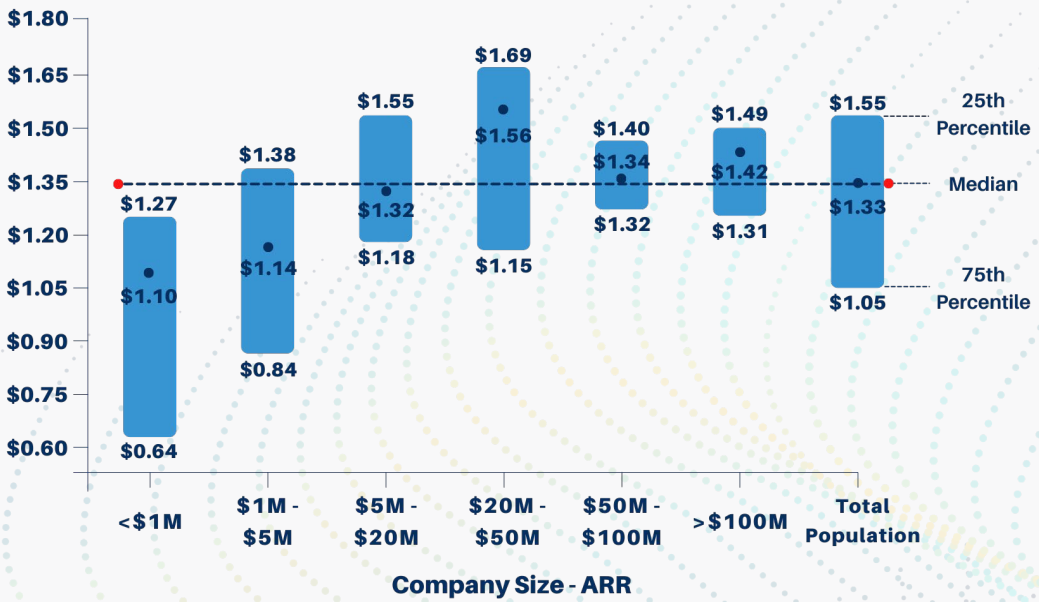
CAC Ratio

FY 19 - FY 21



Blended CAC Ratio

By ARR



BLENDED CAC RATIO INSIGHTS

Blended CAC Ratio is the inverse of the SaaS Magic Number and provides an easier to understand metric that tells you "how much Sales and Marketing Expense" is required to add $1 ARR from both new customer acquisition and existing customer expansion

Blended CAC Ratio is typically the highest as companies traverse the growth phase between $20M - $50M ARR. This increase is often associated with the need to expand into new customer segments or geographic markets, as well as the introduction of new products

Due to higher CAC Ratios when entering or scaling new markets, it's necessary to calculate this metric on a segment-by-segment basis. This results in a better understanding of ARR acquisition and expansion in each market segment

N = 416

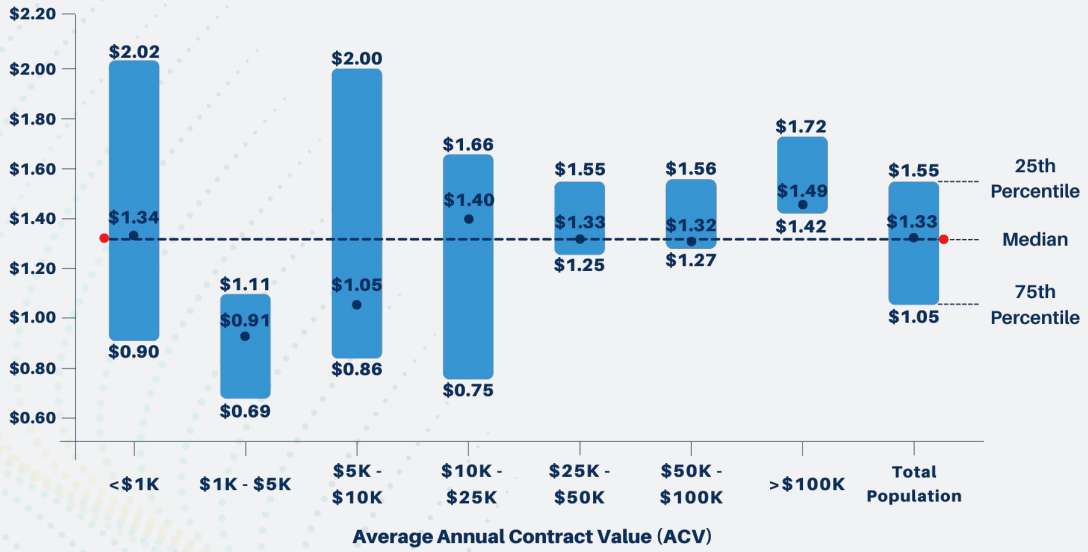
BLENDED CAC RATIO INSIGHTS

Blended CAC Ratio tends to track higher with increasing average Annual Contract Value (ACV)

Since the Blended CAC Ratio is a compound growth efficiency metric, it is important to also calculate the New CAC Ratio and Expansion CAC Ratio to gain more granular insight into the efficiency difference in acquiring new logo ARR versus expanding existing customer ARR

CAC Ratio is not typically calculated on a Gross Margin adjusted basis. As a company scales past $50M ARR it can prove insightful to calculate the contribution of each dollar in ARR (after accounting for COGS)

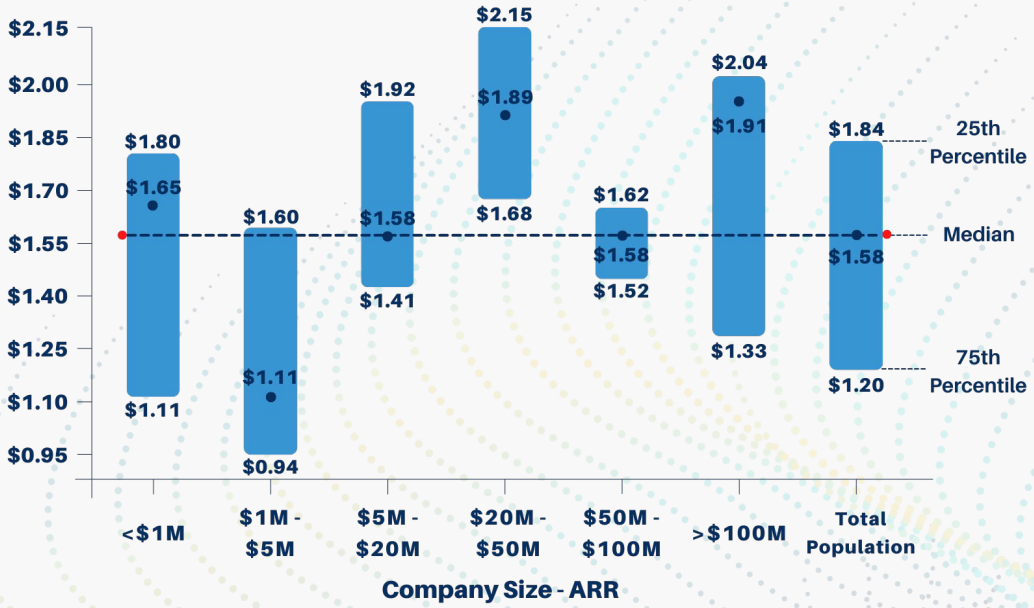
Blended CAC Ratio
BY ACV



N = 416

New CAC Ratio

By ARR



N = 473

NEW CAC RATIO INSIGHTS

New CAC Ratio tells you "how much Sales and Marketing Expense" is required to add $1 ARR from new name customer acquisition

New CAC Ratio typically increases as companies traverse the growth phase of $20M - $50M ARR. This often correlates with expansion into new customer segments or geographic markets, as well as the introduction of new products

Due to the impact on CAC Ratio when entering or scaling new markets, it's recommended to calculate this metric on a segment-by-segment basis (i.e. Enterprise versus SMB). This results in a better understanding of new customer ARR acquisition efficiency in new markets

NEW CAC RATIO INSIGHTS

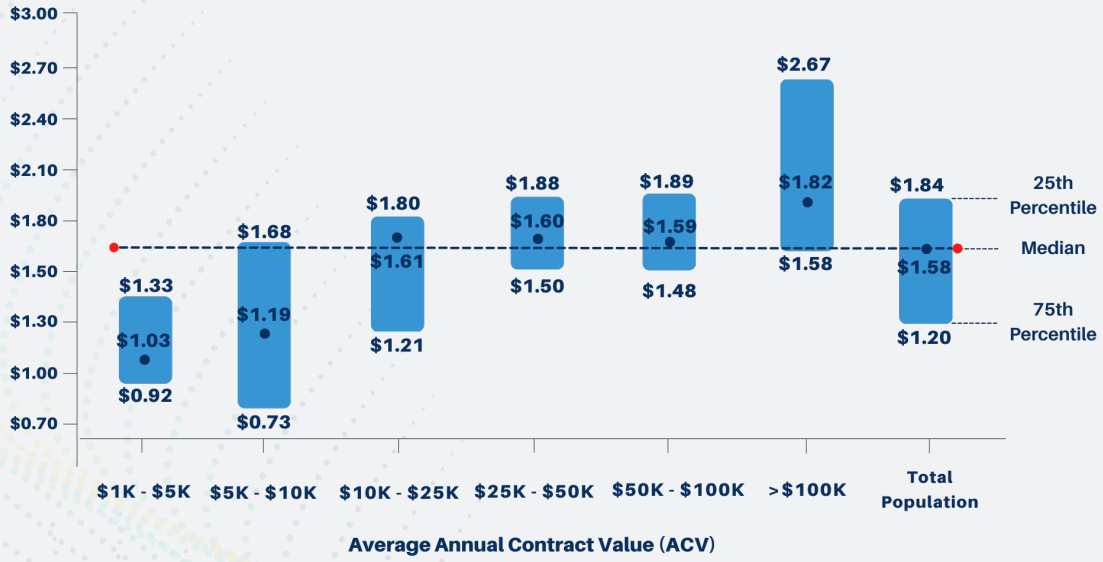
New CAC Ratio trends higher as Average Annual Contract Value (ACV) increases

At the same time, Customer Lifetime Value is higher in larger ACV environments thus providing equally attractive or even higher returns

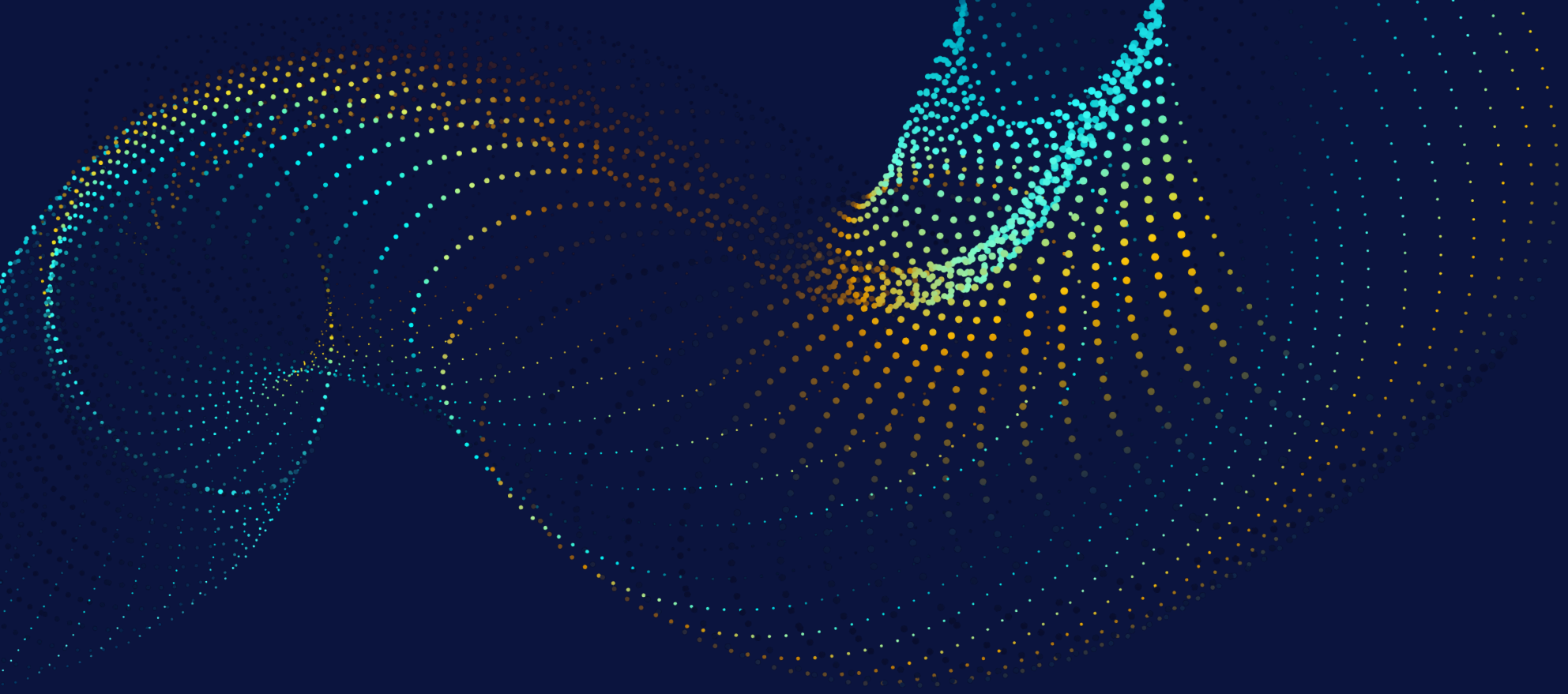
New CAC Ratio is often challenged in the mid-ranges of ACV, where more time and cost is required to nurture and close opportunities. This trend is exacerbated by an inability to rely upon larger ACVs to offset longer sales cycles and lower contract values

Reducing New CAC Ratio requires lowering customer acquisition costs and/or increasing New ARR. Common strategies to achieve this include increasing ACV, increasing win rates and/or decreasing sales cycle length

New CAC Ratio
BY ACV



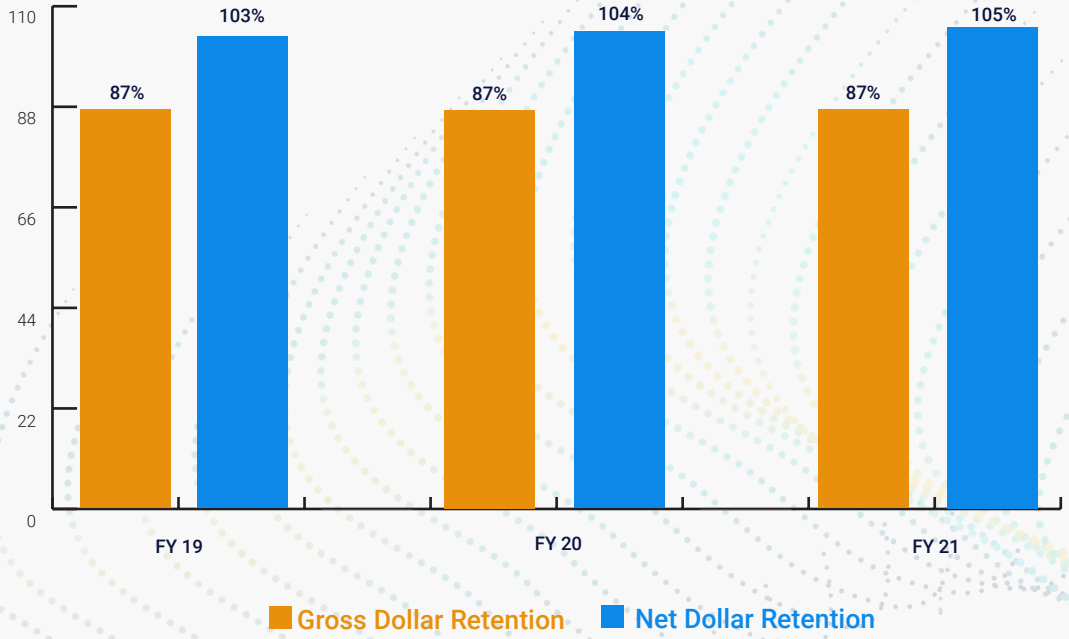
N = 473



CUSTOMER RETENTION BENCHMARKS

Gross & Net Dollar Retention

FY 19 - FY 21



NET & GROSS DOLLAR RETENTION INSIGHTS

Gross Dollar Retention (GDR) has remained stabled over the last three years. This suggests that dramatic economic conditions have not had a measurable impact on retention

Net Dollar Retention (NDR) continues to incrementally increase as we see the impact of new Go-to-Market motions like Product-Led Growth and new pricing strategies including the increased usage of consumption (usage) based pricing models

Companies should ensure they benchmark their internal NDR calculations against peer group companies that use a similar GTM motion and pricing model

GROSS DOLLAR RETENTION INSIGHTS

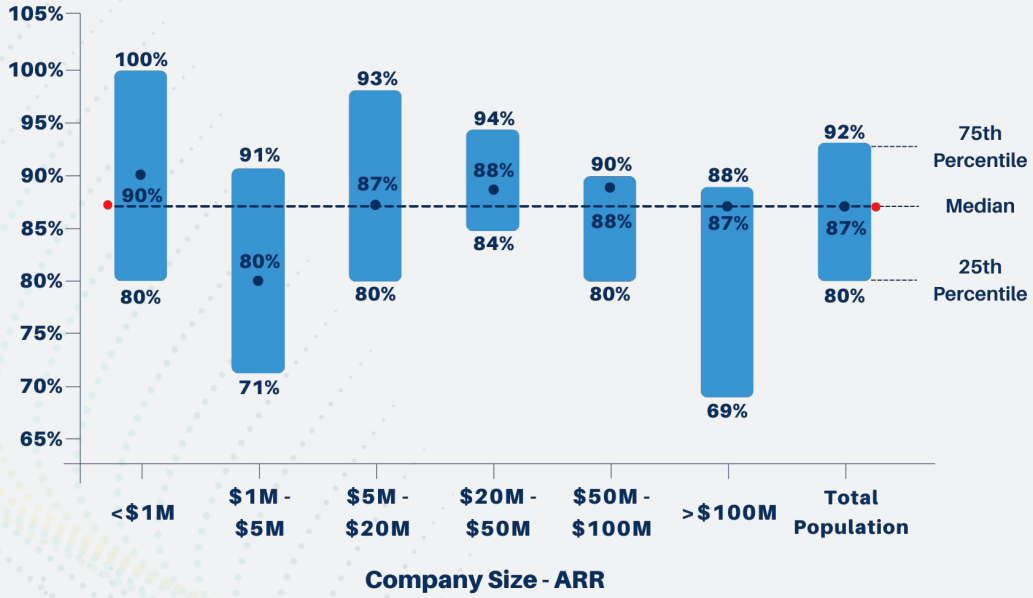
Gross Dollar Retention (GDR) does not vary materially by company size, with the exception of the initial phases of growth when retention history is not yet normalized across multiple renewal cycles

As a SaaS company determines product-market fit (measured in part by retention rate), there is a risk of GDR decreasing slightly on a short term basis as the Ideal Customer Profile (ICP) evolves over time

Measuring retention using a dollar based approach (GDR) versus a logo based approach provides a better picture of customer retention in ACV levels greater than $5K

Gross Dollar Retention Rate

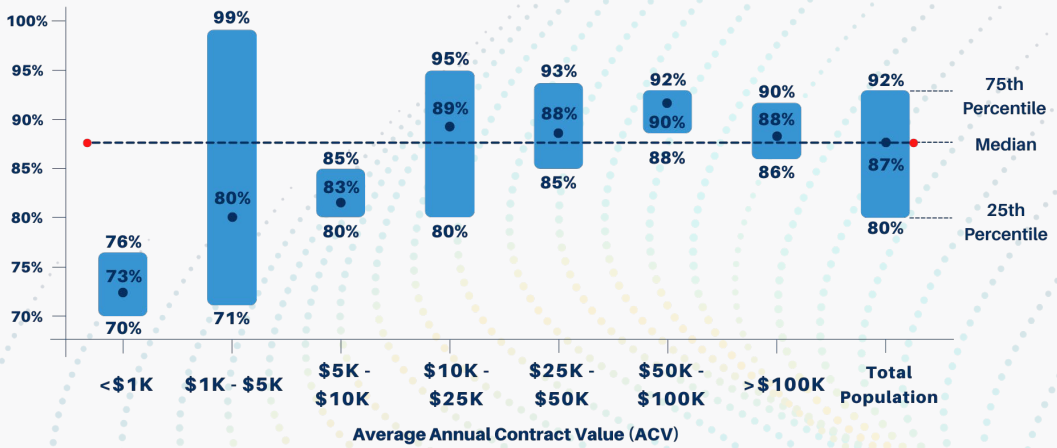
BY ARR



N = 712

Gross Dollar Retention Rate

By ACV



GROSS DOLLAR RETENTION INSIGHTS

Gross Dollar Retention (GDR) is more correlated to average annual contract value (ACV) than company size

ACVs lower than $10K will typically provide a lower GDR result than higher value solutions. Interestingly, ACVs in the lower end of the $10K - $50K range do not see a material difference in GDR than the companies in the higher end of this range

Gross Dollar Retention calculations should only include customers that have a renewal available. Including all customers (and associated ARR) that is not available to renew will produce a GDR number that is skewed too high

It's preferable to calculate Gross Dollar Retention using companies in a similar cohort

N = 712

LOGO RETENTION INSIGHTS

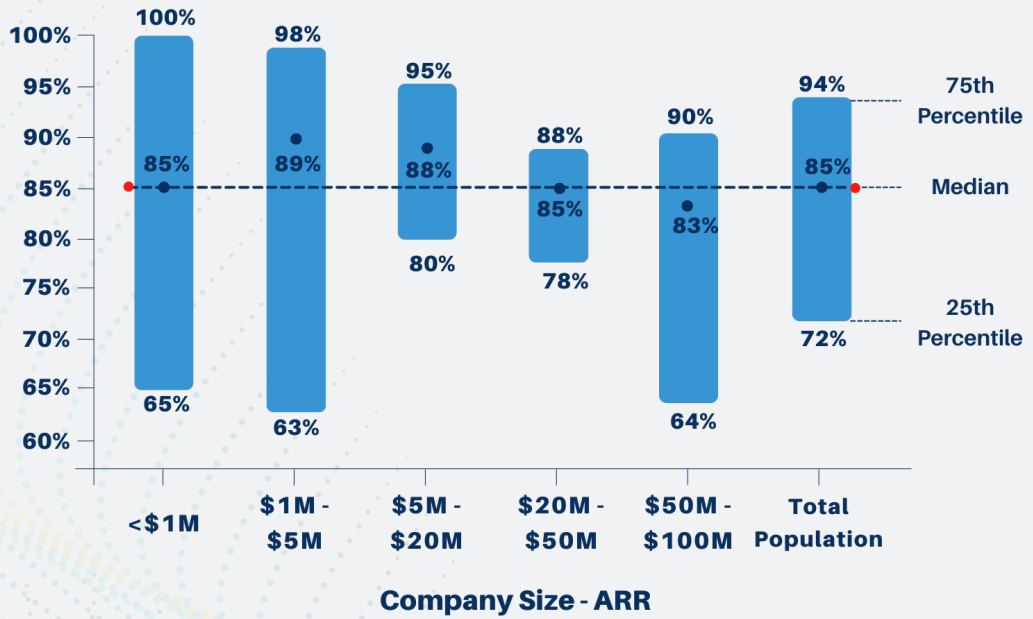
Logo Retention rate does not have a high correlation to company size

Logo Retention Rate (or the inverse, Logo Churn Rate) is an interesting metric for high velocity, lower value ACV environments. However, this metric does not provide as instructive insights (versus Gross Dollar Retention) for companies with an ACV greater than $10K

Logo Retention Rate calculations should only be made against companies only with an agreement available to renew

For low ACV solution companies, retention should be measured monthly, on a rolling 3, 6 and 12 month basis

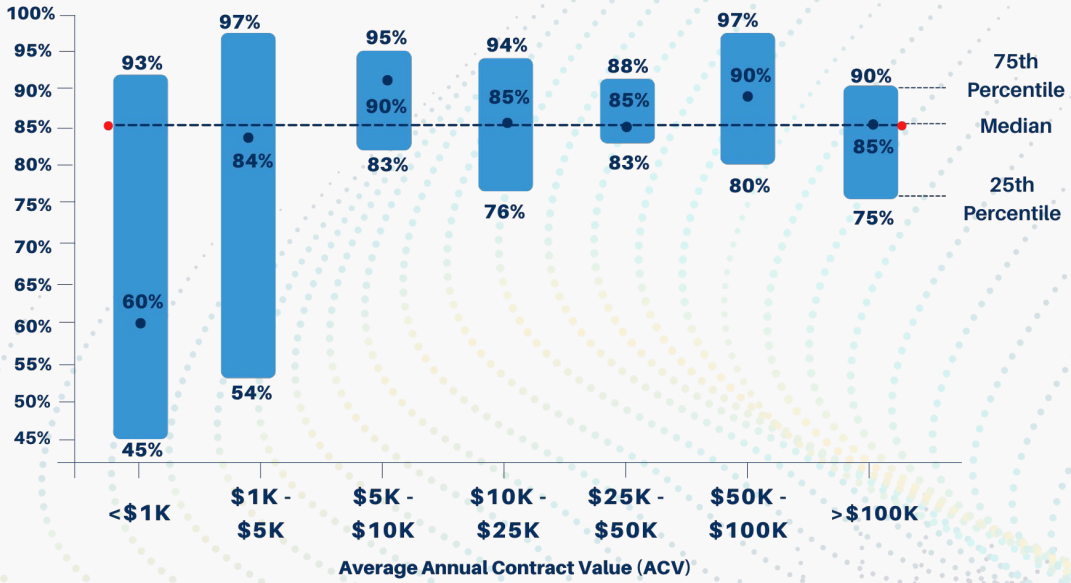
Logo Retention Rate
BY ARR



N = 765

Logo Retention Rate

By ACV



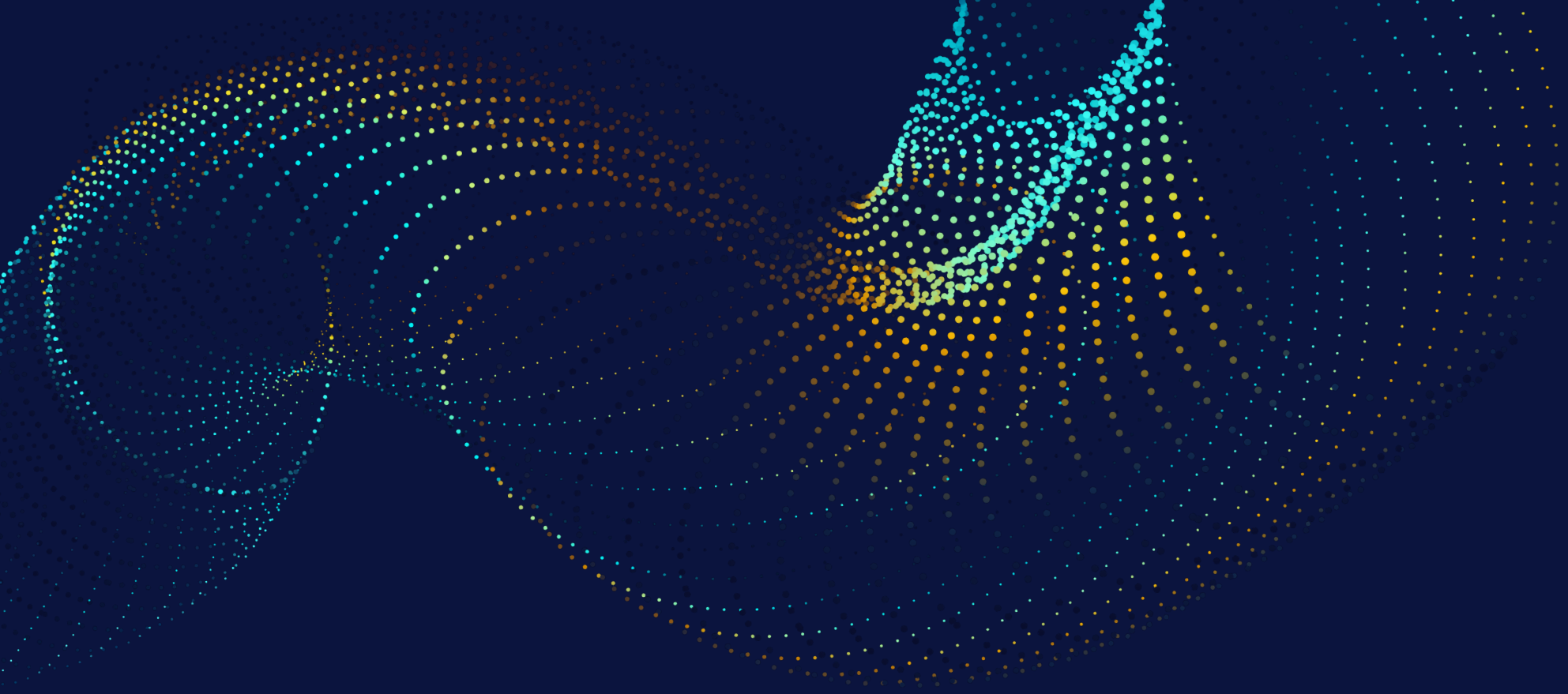
LOGO RETENTION INSIGHTS

Logo retention, even more so than Gross Dollar Retention (GDR) is highly correlated to average annual contract value (ACV)

As shown in the chart, logo retention can be much lower among solutions with an ACV less than $1K. Logo retention improves dramatically, however, as ACV increases toward $5K

Understanding the trade-off between logo retention, Gross Dollar Retention, CAC Payback Period and CAC Ratio is critical in high velocity, lower value solutions – especially in month-to-month agreement environments

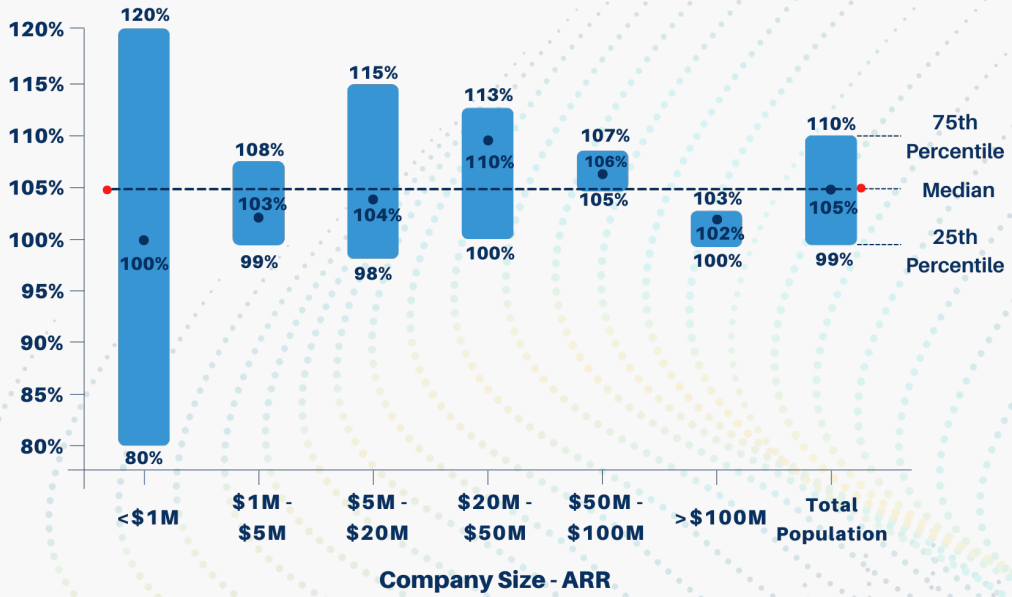
N = 765



CUSTOMER EXPANSION BENCHMARKS

Net Dollar Retention Rate

By ARR



N = 779

NET DOLLAR RETENTION INSIGHTS

Net Dollar Retention (NDR) measures how much ARR is represented in a cohort of customers at the end of the current accounting period (where their agreement is available to renew) versus the same cohort of customer ARR from a previous period

Net Dollar Retention is typically an annualized calculation, and should be calculated on a rolling 3, 6, and 12 month period for a smoothing affect

Net Dollar Retention Rate is not dramatically correlated to company size, as it is with other variables including Go-To-Market motion (Product-Led Growth vs Sales-Led Growth) and pricing model (pure subscription versus usage-based Pricing)

Net Dollar Retention calculations need to account for the impact of certain variables, such as ramp time in usage-based pricing models. It's also important to create a consistent policy to determine when new customer ARR ends and existing customer expansion ARR begins

NET DOLLAR RETENTION INSIGHTS

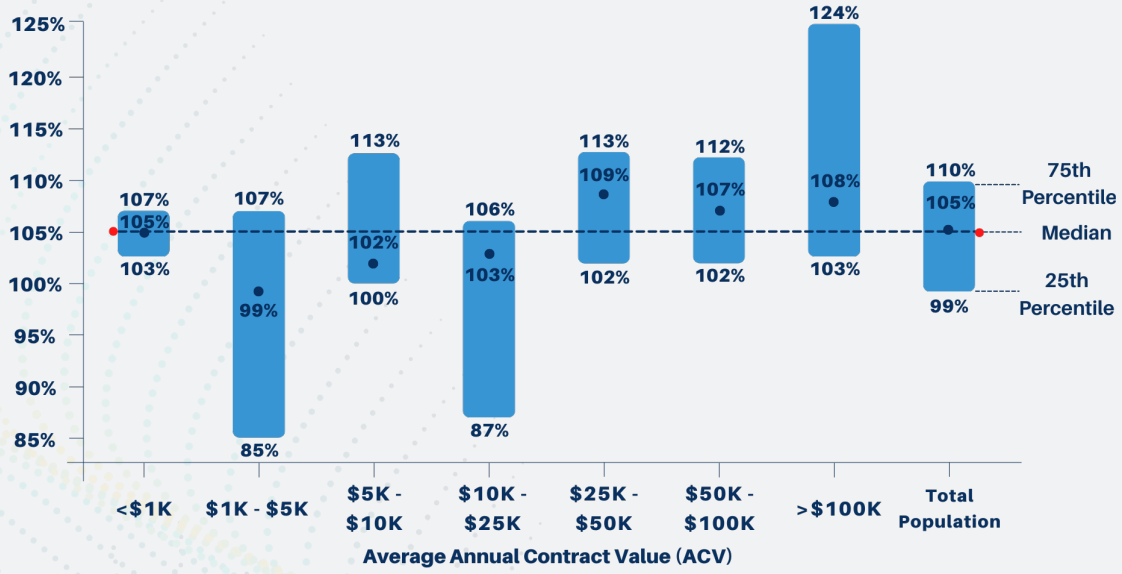
Net Dollar Retention exhibits a higher correlation to Annual Contract Value (ACV) than it does to company size

As ACV increases, the opportunity for organic expansion is more prevalent, though not as impactful to increasing NDR GTM motion and pricing model

Other factors to New Dollar Retention include the breadth of the product portfolio, the pricing model, and packaging with built-in escalators based upon usage and product features

Net Dollar Retention has grown over the past three years in correlation with Enterprise Value to Revenue multiples. Net Dollar Retention is a core metric for investors and operators alike

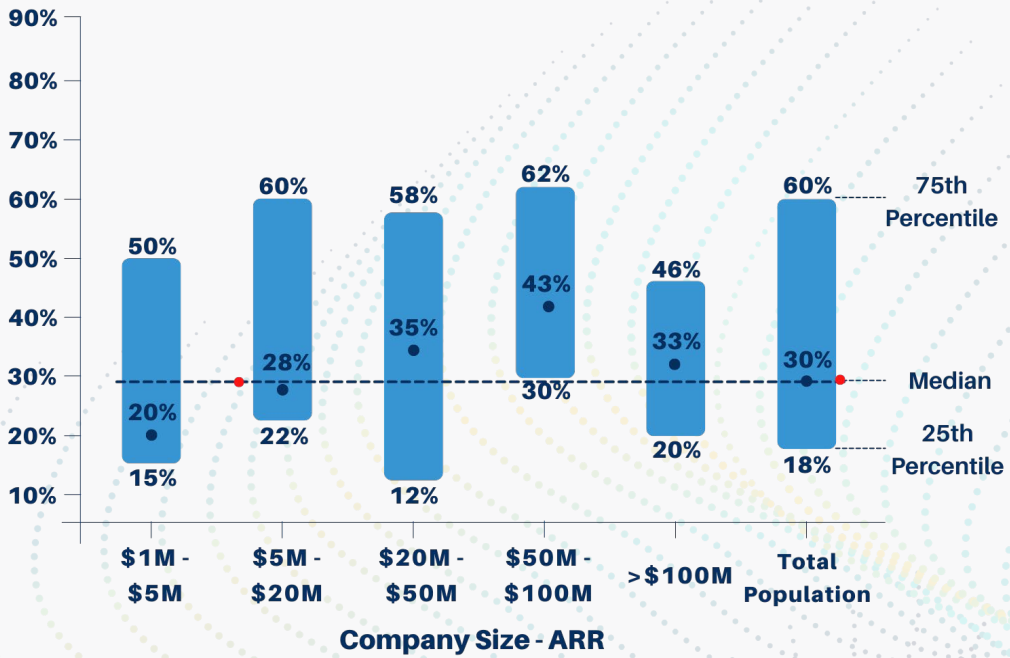
Net Dollar Retention Rate
BY ACV



N = 779

Expansion ARR to Total Growth ARR

By ARR



EXPANSION ARR TO TOTAL GROWTH ARR INSIGHTS

Expansion ARR as a percentage of Total Growth ARR is a new benchmark for 2022

As companies increase their focus on Net Dollar Retention, understanding the mix of expansion ARR to growth ARR (new customers + existing customers) helps surface insights into overall customer satisfaction and engagement

In addition, when viewed in the context of growth efficiency, where the Expansion CAC Ratio is often 2x – 3x lower than the New CAC ratio, existing customer expansion can be a much more effective and efficient growth engine

When one factors in the increased correlation of Net Dollar Retention to Enterprise Value multiples, and this metric is a critical, must measure SaaS metric

N = 514

EXPANSION ARR TO TOTAL GROWTH ARR INSIGHTS

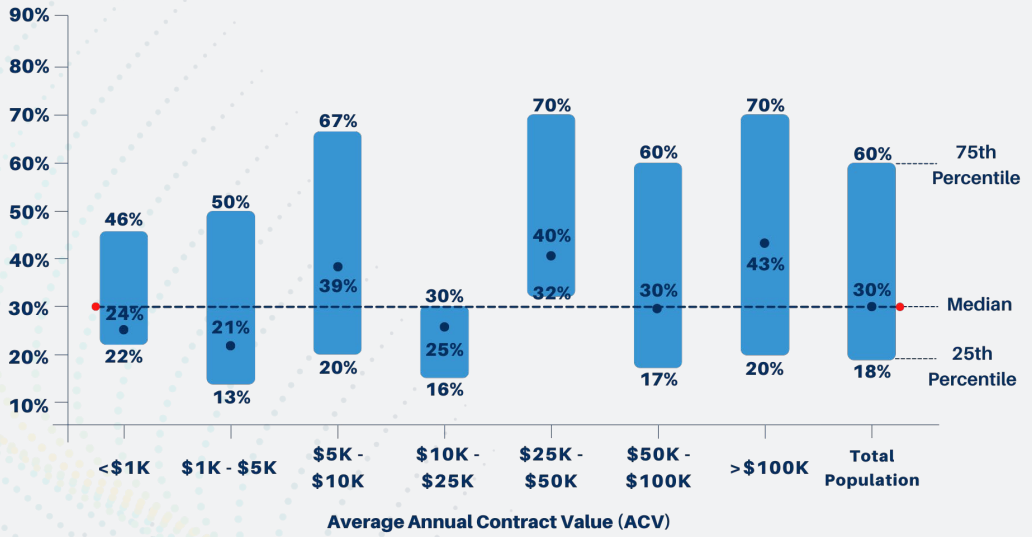
Expansion as a percentage of total new growth revenue begins to have a higher level of correlation for solutions starting at $5K and above

The correlation is higher once ACV hits $25K and highest in greater than $100K ACV solutions

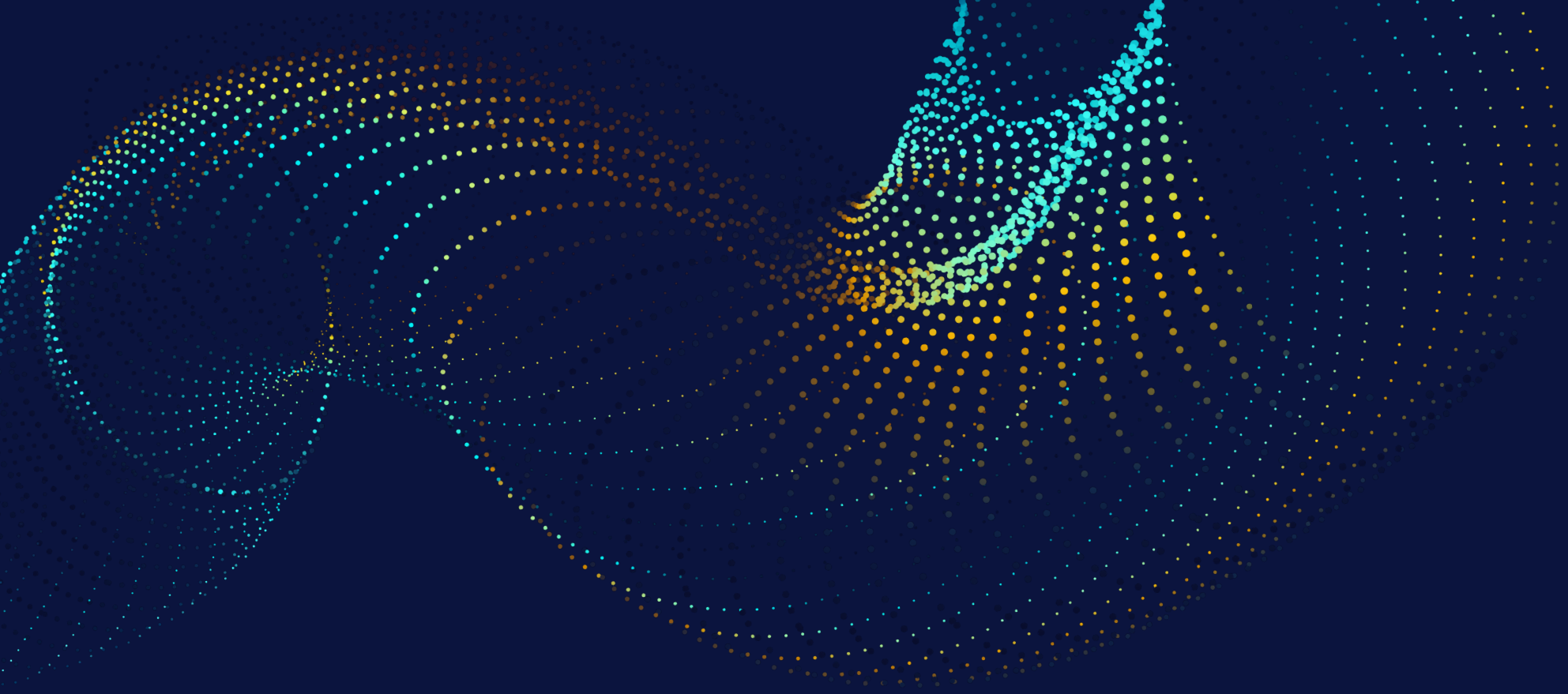
Several variables can impact the expansion revenue percentage in larger ACV deals, including a higher Gross Dollar Retention rate that increases the baseline available for expansion. In addition, many $100K ACV solutions include multiple product offerings packaged into a single platform. This approach increases the opportunity for cross-sell up-sell revenue

Expansion ARR to Total Growth ARR

BY ACV



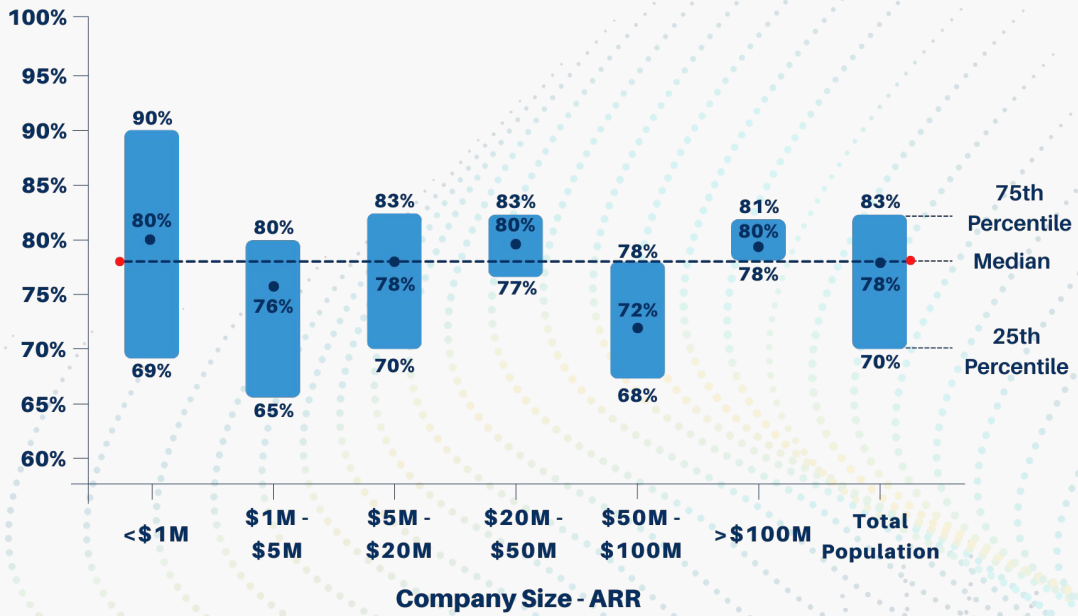
N = 514



OPERATIONAL EFFICIENCY BENCHMARKS

Gross Margin - Subscriptions

By ARR



SUBSCRIPTION GROSS MARGIN INSIGHTS

Subscription gross margins, which is calculated by dividing the Gross Profit delivered by subscription revenue by the associated subscription revenue is a hallmark of the potential for cash generation in the SaaS business model

Subscription Gross Margin is traditionally very stable across company size, though it can be dramatically different based upon the scale of revenue in Usage-Based Pricing model companies with high compute resources. This is often the case in big data, machine learning and AI-centric solutions

N = 724

SERVICES GROSS MARGIN INSIGHTS

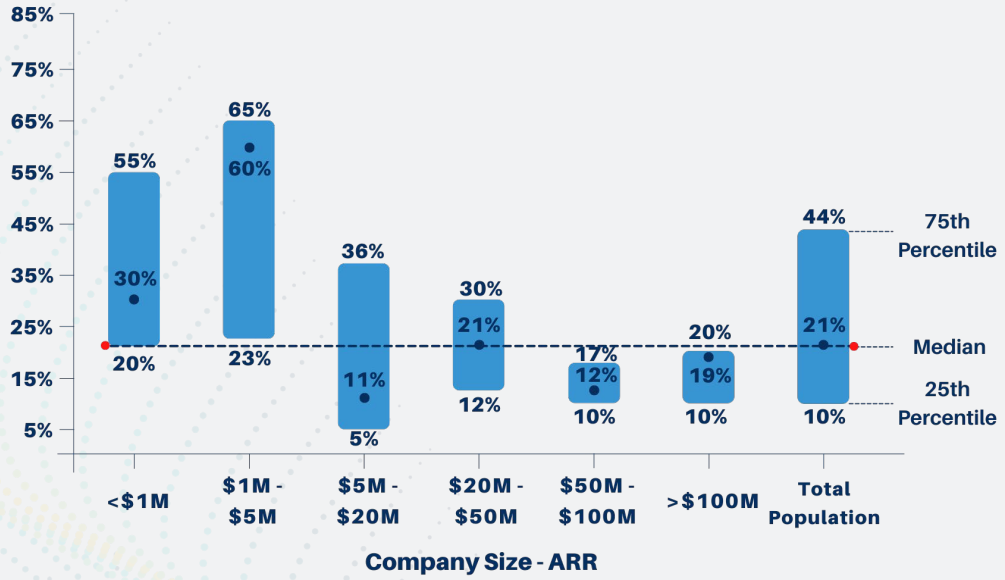
Services Gross Margin (often referred to as “Professional Services Gross Margin”) is often a loss leader for scaling SaaS companies that invest in new customer onboarding in pursuit of increased long term retention

As such, after companies establish an initial level of Product Market Fit, you can see Services Gross Margin vary dramatically, especially where services delivery is viewed as a high value component of early solution utilization

As SaaS companies scale, the trade-off to decrease services revenue as a percentage of total contract value to reduce friction in new customer acquisition, and to deliver more subscription revenue (ARR) in the 65% - 80% margin levels is often a strategic decision that focuses on the ultimate driver of Enterprise Value

Gross Margin - Services

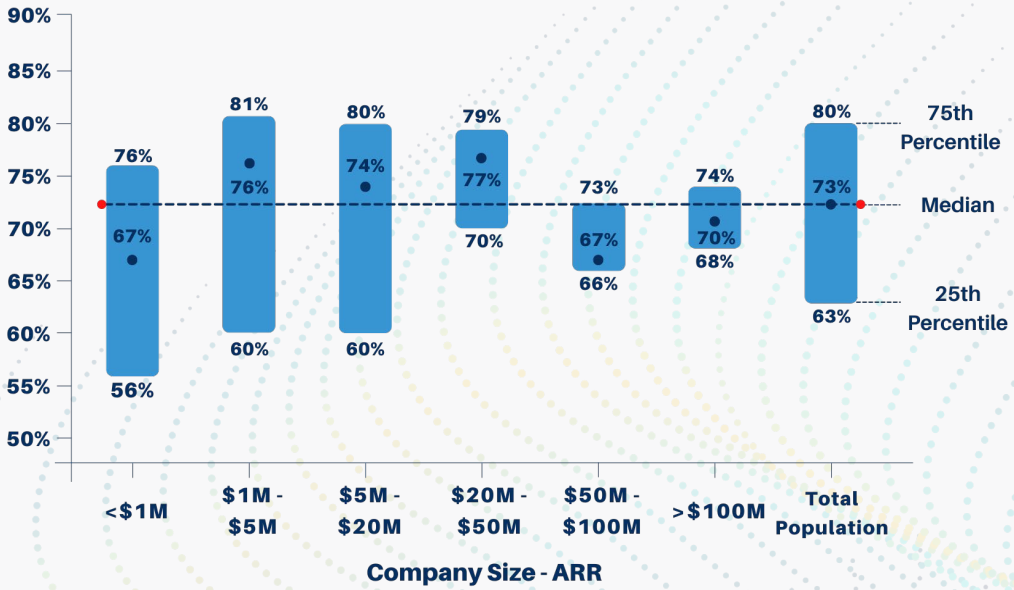
By ARR



N = 387

Gross Margin - Total

By ARR



TOTAL GROSS MARGIN INSIGHTS

Total Gross Margin, which represents the blend of Subscription Gross Margin and Services Gross Margin, is a hallmark of the SaaS business model

Services can often stand alone in the value delivered during the initial deployment of a SaaS solution, including technical integrations, data preparation, training, and onboarding. Professional services are often delivered at lower margin levels in order to increase the percentage of available budget into ARR

Total Gross Profit and thus Gross Margin is almost always part of the Income Statement, but capturing and highlighting both Subscription Gross Margin and Services Gross Margin to investors is a best practice

N = 792

SALES AND MARKETING EXPENSE INSIGHTS

Sales and Marketing expenses (as a percentage of revenue) is a traditional income statement metric that highlights the potential for profitable growth

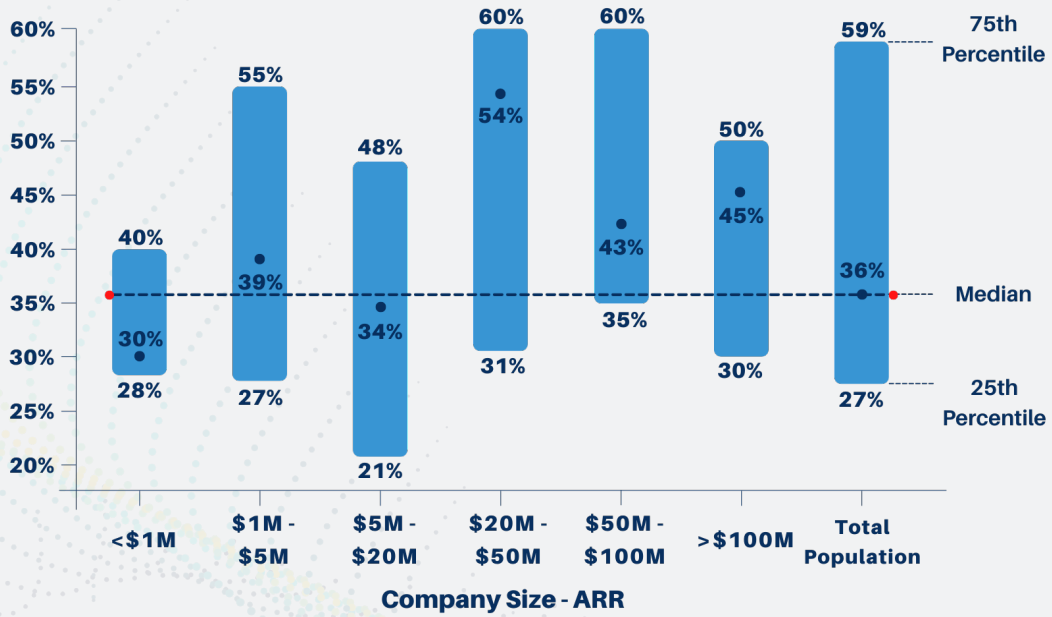
In SaaS businesses that scale above $20M ARR, the Sales and Marketing Expenses often will increase as a percentage of revenue, but need to be viewed in context of both Growth Rate and the Rule of 40

An interesting recent trend in SaaS businesses is that growth rates can re-accelerate once scale is obtained, even at $1B ARR and above. This is a contributing factor to see Sales and Marketing expenses (as a percentage of revenue) often increase in greater than $100M ARR companies

As such, Sales and Marketing Expenses (as a percentage of revenue) should be viewed in a context of Customer Acquisition and Customer Expansion efficiency metrics, such as the CAC Ratio. Additionally it's important to include the context of profitable growth as measured by the Rule of 40

Sales and Marketing Expenses (% of Revenue)

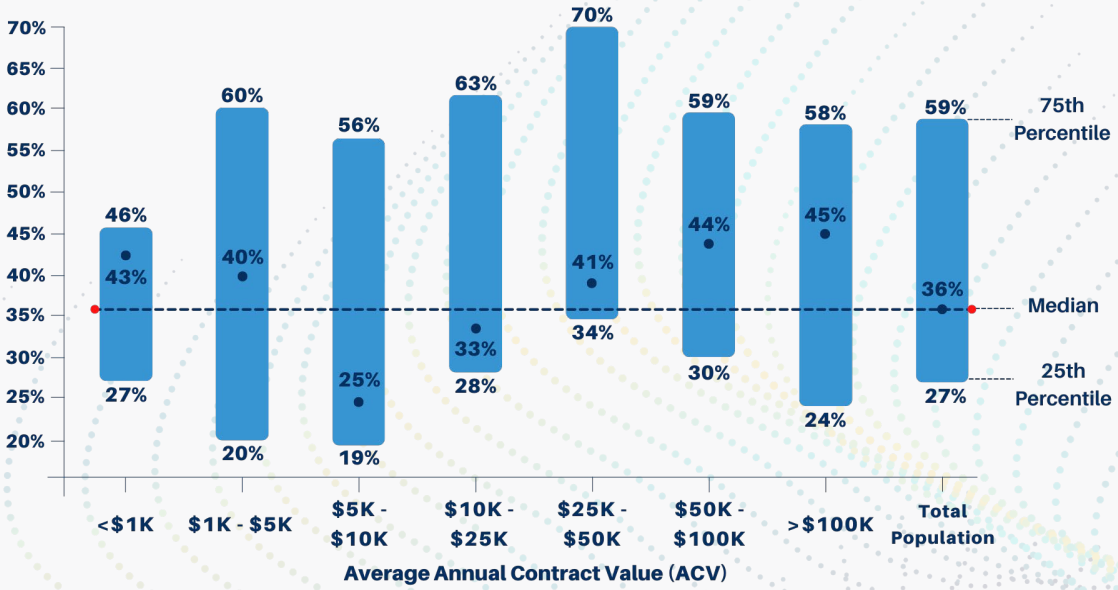
By ARR



N = 782

Sales and Marketing Expenses (% of Revenue)

By ACV



SALES AND MARKETING EXPENSE INSIGHTS

Sales and Marketing expenses as a percentage of revenue does not have a high correlation to average annual contract value (ACV)

A more interesting and more granular view of this metric is the mix of Sales expenses versus Marketing expenses based upon ACV

Lower ACV solutions typically see a much higher percentage of Marketing expenses, whereas larger value solutions ($10K ACV and up) typically see Sales expenses in the 64-74% range of total Sales + Marketing spend

N = 782

R&D EXPENSES INSIGHTS

Research and Development (R&D), often referred to as the “development” or “engineering” department, is foundational to every early stage SaaS company

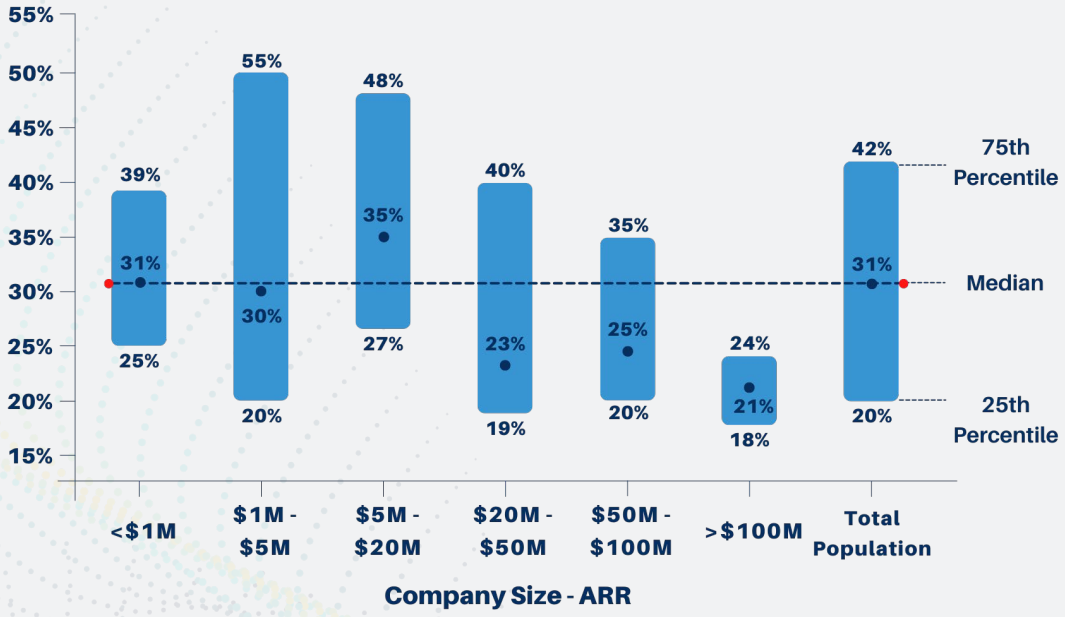
As such, for any company with less than $5M ARR, R&D expense benchmarks are not as relevant, especially in technical led founder companies, where their salary can have a significant impact

As companies scale to $20M ARR and above, the R&D investment becomes more normalized and stable in the 21% - 25% range

An interesting trend in the SaaS industry is Product-Led Growth. Companies introducing a PLG motion should begin to consider how much of R&D costs are allocated to Customer Acquisition and may need to be factored in customer acquisition efficiency metrics such as CAC Payback Period and CAC Ratio, and even Sales Efficiency

R&D Expenses (% of Revenue)

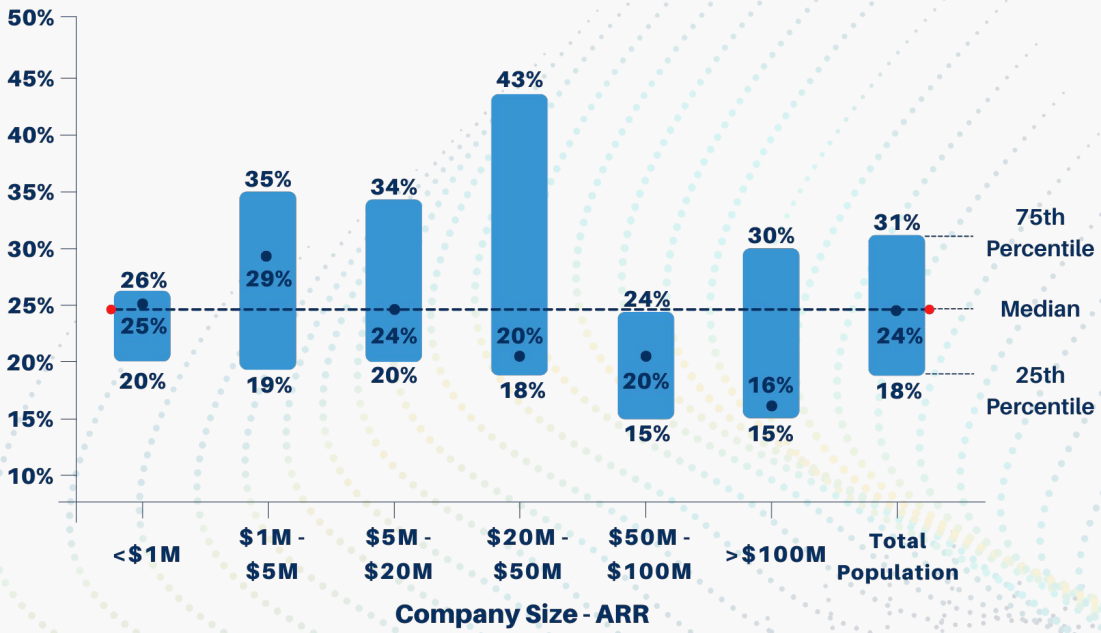
By ARR



N = 754

G&A Expenses (% of Revenue)

By ARR



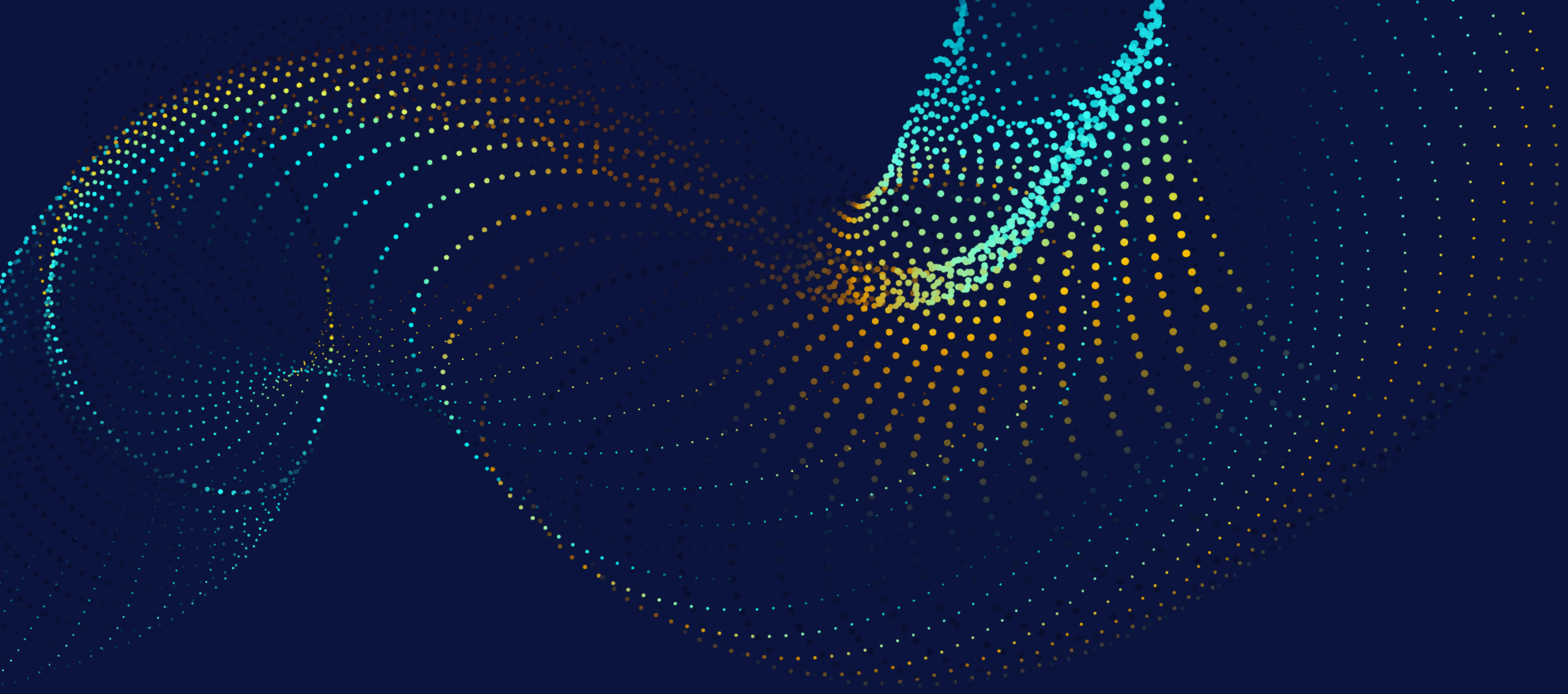
N = 715

G&A EXPENSES INSIGHTS

General and Administrative expenses as a percentage of revenue are typically higher in the early stage of a SaaS company's evolution, especially when the founder/CEO is taking a salary against lower revenue

As SaaS companies scale, and begin to invest more in staff functions such as finance and human resources, it is important to balance the need for operational process efficiencies that are primarily internal in nature versus externally centric investments in market facing or product delivery functions

The benchmarks highlight, as companies scale to each subsequent level of ARR, G&A will typically normalize in the 14% - 20% range



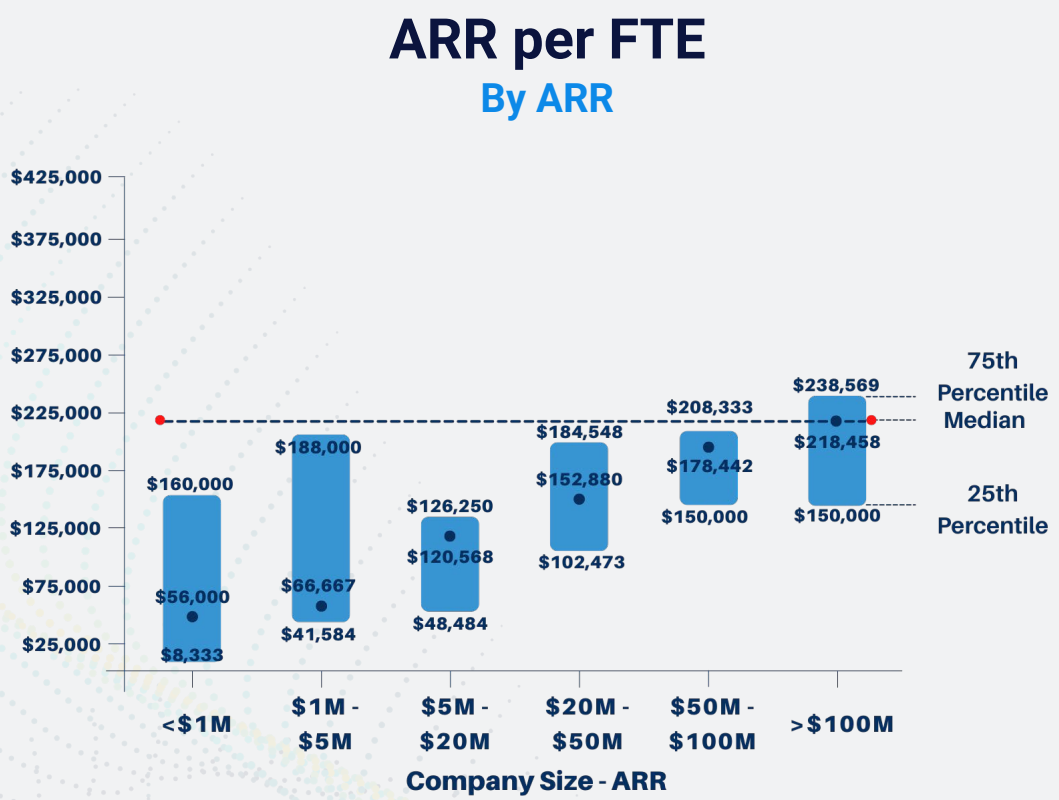
CAPITAL EFFICIENCY BENCHMARKS

ARR PER FTE INSIGHTS

Revenue per FTE (public companies) or ARR per Full-Time Equivalent (private companies) scales somewhat linearly as a company's revenue grows

For SaaS companies under $20M ARR, this measurement is not as instructive as growth, customer acquisition, retention and expansion efficiency metrics. Focusing on these profitable growth leading indicators will result in higher revenue per FTE over time

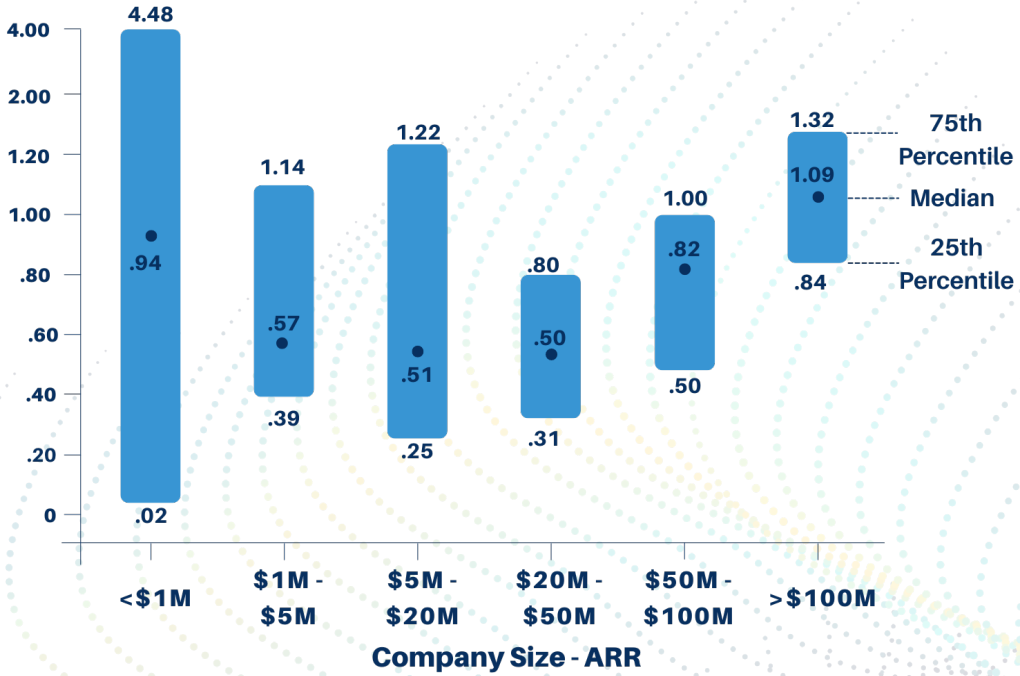
While this metric might be interesting, it's not a primary metric for private SaaS company investors or operators. Companies with less than attractive performance and financial metrics, however, might also see increased scrutiny around Revenue per FTE



N = 647

ARR to Capital Raised Ratio

By ARR



ARR TO CAPITAL RAISED INSIGHTS

Annual Recurring Revenue to Capital Raised is an investor centric metric that provides insight into the efficiency of capital in context of growth stage

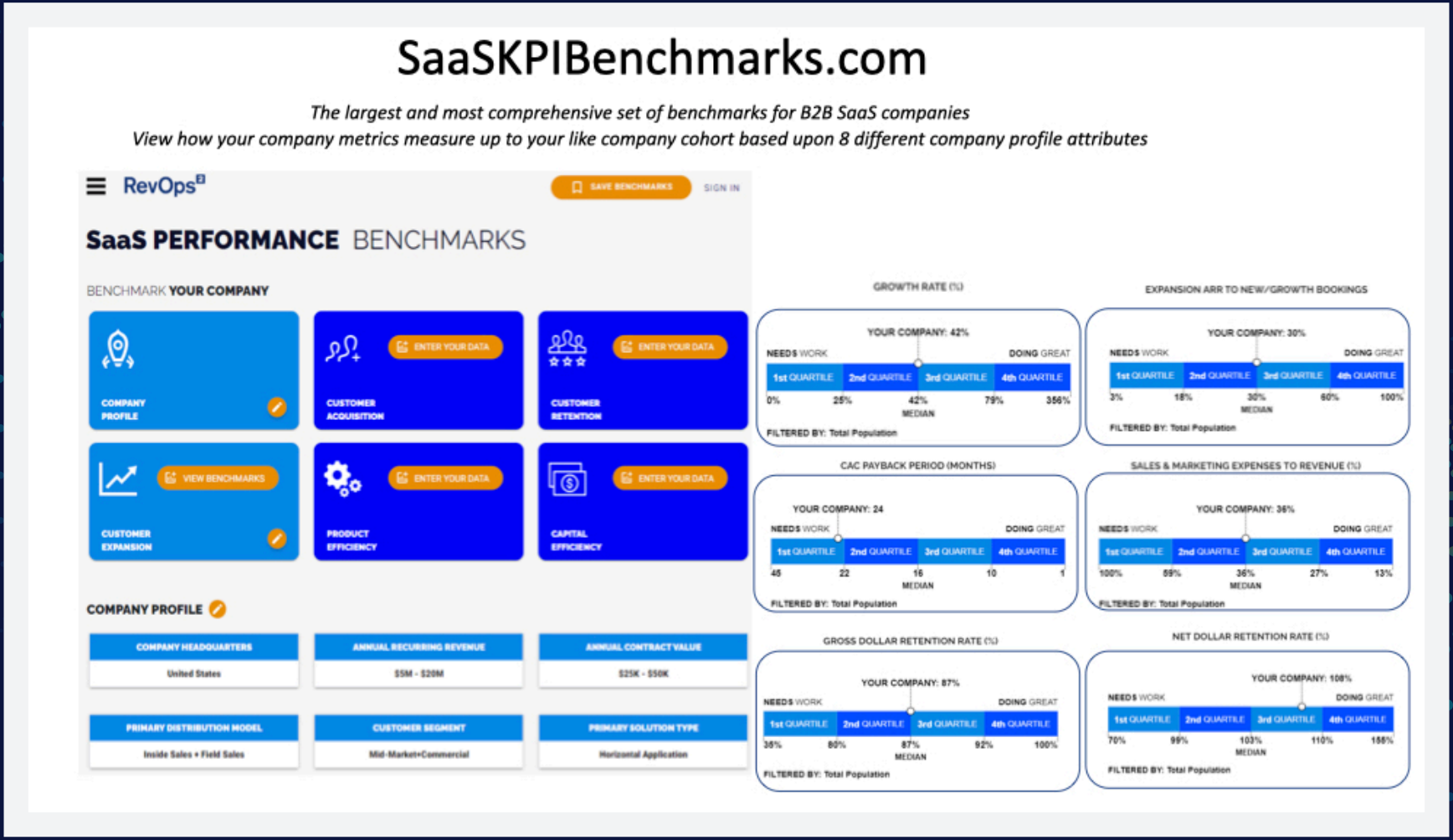
In high or hyper growth companies, the return on capital as measured by ARR to Capital Raised will play a secondary role as measured against growth rates and Enterprise Value to Revenue multiples

Though there are fairly stable and predictable benchmarks for ARR to Capital Raised as a company approaches $100M ARR and above, this is not a metric that operators should invest a lot of time in regards to operating decisions

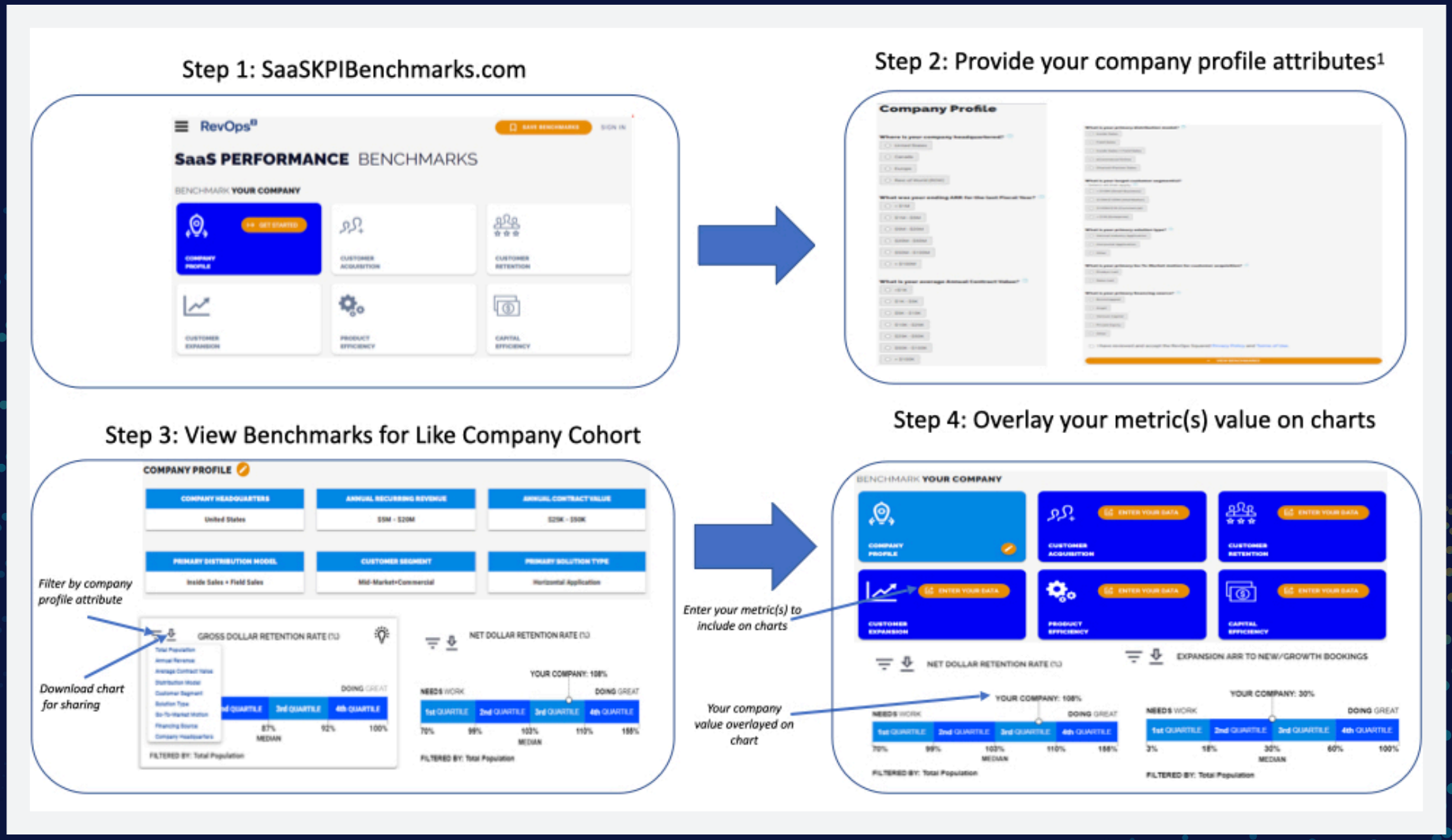
N = 436

How to use SaaSKPIBenchmarks.com

Four steps to see how your company measures up



Learn about SaaSKPIBenchmarks.com by by viewing our tutorial here



DISCLOSURES

RevOps Squared has conducted direct Industry Benchmark research on Key Performance Indicators and metrics with the explicit permission and approval by all survey and research participants. RevOps Squared has worked with multiple partners to syndicate our research. The material contained herein is based on sources considered to be reliable; however, RevOps Squared does not guarantee or warrant the accuracy or completeness of information. This document is for informational purposes only.

This communication is intended solely for the use by the recipient. The recipient agrees not to forward or copy the information to any other person outside of their organization without the express written consent of RevOps Squared LLC.

If you would like to request additional information regarding this research and available additional data and/or advisory services as to how this information can be captured, utilized and/or evaluated in any other manner please send all inquiries to info@revopssquared.com