SaaS Revenue Quality Assessment

Sample SaaS Company — Series B Due Diligence

KEY METRICS SNAPSHOT

$8.76M	45%	96%	78%	2.3x
Current ARR	ARR Growth (YoY)	Net Dollar Retention	Gross Margin	LTV/CAC

REVENUE QUALITY SCORECARD

Dimension	Metric	Value	Benchmark	Assessment
Growth Quality	YoY ARR Growth	**45%**	*>40%*	**Strong**
Growth Quality	Net New ARR Tre	**Flat**	*Increasing*	**Concern**
Retention	Gross Dollar Ret	**92%**	*>90%*	**Adequate**
Retention	Net Dollar Reten	**96%**	*>110%*	**Below Benchmark**
Retention	Logo Retention (/	**82%**	*>85%*	**Below Benchmark**
Concentration	Top 5 Customer '	**38%**	*<25%*	**High Risk**
Concentration	Top 10 Custome	**54%**	*<40%*	**High Risk**
Cohort Health	Oldest Cohort NI	**61%**	*>80%*	**Critical**
Cohort Health	Recent Cohort N	**114%**	*>110%*	**Strong**
Unit Economics	LTV/CAC Ratio	**2.3x**	*>3.0x*	**Below Benchmark**
Unit Economics	CAC Payback (m	**26**	*<18*	**Elevated**
Unit Economics	Gross Margin	**78%**	*>75%*	**Adequate**

KEY FINDINGS

1. Headline 45% growth is real but masking deteriorating retention in older cohorts
2. NDR declines sharply by vintage: Q1 2022 cohort at 61% vs Q2 2024 at 114%
3. Top 5 customers represent 38% of ARR — loss of any single enterprise account would materially impact growth
4. CAC payback of 26 months exceeds the 18-month SaaS benchmark; LTV/CAC of 2.3x below 3.0x target
5. Growth is primarily new logo acquisition, not expansion — expansion MRR averages only 2% of beginning MRR

Monthly Recurring Revenue Waterfall

Sample SaaS Company — 12-Month MRR Reconstruction

($K MRR)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Total/Avg
MRR BRIDGE													
Beginning MRR	450	480	508	538	562	590	610	635	655	670	688	705	705
(+) New MRR	42	38	45	40	48	35	45	40	38	42	40	45	498
(+) Expansion MRR	12	14	10	11	15	12	10	14	12	11	13	12	146
(-) Contraction MRR	-8	-10	-7	-9	-12	-8	-10	-12	-11	-10	-13	-12	-122
(-) Churned MRR	-16	-14	-18	-18	-13	-19	-20	-22	-16	-15	-18	-20	-209
Ending MRR	**480**	**508**	**538**	**562**	**590**	**610**	**635**	**655**	**670**	**688**	**705**	**730**	**730**
DERIVED METRICS													
Net New MRR	30	28	30	24	38	20	25	20	23	28	22	25	313
Gross MRR Churn Rate	-5.3%	-5.0%	-4.9%	-5.0%	-4.4%	-4.6%	-4.9%	-5.4%	-4.1%	-3.7%	-4.5%	-4.5%	-4.7%
Net MRR Churn Rate	-2.7%	-2.1%	-3.0%	-3.0%	-1.8%	-2.5%	-3.3%	-3.1%	-2.3%	-2.1%	-2.6%	-2.8%	-2.6%
Implied ARR ($K)	**5,760**	**6,096**	**6,456**	**6,744**	**7,080**	**7,320**	**7,620**	**7,860**	**8,040**	**8,256**	**8,460**	**8,760**	**8,760**
ARR Growth (MoM)	—	5.8%	5.9%	4.5%	5.0%	3.4%	4.1%	3.1%	2.3%	2.7%	2.5%	3.5%	

Cohort Revenue Retention Analysis

Sample SaaS Company — MRR by Acquisition Cohort

MRR BY COHORT ($K)

Cohort	Starting MRR	Current MRR	MRR Retention	Starting Logos	Current Logos	Logo Retention	Months Old
Q1 2022	85	52	61.2%	12	7	58.3%	36
Q2 2022	72	48	66.7%	10	6	60.0%	33
Q3 2022	95	70	73.7%	14	9	64.3%	30
Q4 2022	68	55	80.9%	9	7	77.8%	27
Q1 2023	80	72	90.0%	11	9	81.8%	24
Q2 2023	90	88	97.8%	13	11	84.6%	21
Q3 2023	75	78	104.0%	10	9	90.0%	18
Q4 2023	65	70	107.7%	8	8	100.0%	15
Q1 2024	85	95	111.8%	12	12	100.0%	12
Q2 2024	70	80	114.3%	9	9	100.0%	9
Q3 2024	55	58	105.5%	7	7	100.0%	6
Q4 2024	48	50	104.2%	6	6	100.0%	3
Total / Weight	**888**	**816**	**91.9%**	**121**	**100**	**82.6%**	

Net Dollar Retention by Cohort Vintage

Sample SaaS Company — Trailing 12-Month NDR

Cohort	12-Month NDR	Assessment
Q1 2022	**61.0%**	**Critical**
Q2 2022	**67.0%**	**Critical**
Q3 2022	**74.0%**	**Critical**
Q4 2022	**81.0%**	**Below Target**
Q1 2023	**90.0%**	**Below Target**
Q2 2023	**98.0%**	**Adequate**
Q3 2023	**104.0%**	**Adequate**
Q4 2023	**108.0%**	**Adequate**
Q1 2024	**112.0%**	**Strong**
Q2 2024	**114.0%**	**Strong**

KEY INSIGHT

NDR deteriorates sharply with cohort age:

Oldest cohorts (2022) average 67% NDR vs newest (2024) at 113%

Blended 96% NDR obscures this divergence

Customer Concentration Analysis

Sample SaaS Company — Top Customer Revenue Dependency

Customer	MRR ($K)	% of Total	Cohort	Segment
TechFlow Systems	62	8.5%	*Q1 2022*	*Enterprise*
DataBridge Corp	55	7.5%	*Q2 2022*	*Enterprise*
Nexus Health	48	6.6%	*Q1 2023*	*Enterprise*
CloudSync Inc	45	6.2%	*Q3 2022*	*Enterprise*
VertexAI Labs	40	5.5%	*Q2 2023*	*Mid-Market*
PulseMetrics	35	4.8%	*Q4 2022*	*Mid-Market*
QuantumEdge	32	4.4%	*Q1 2024*	*Mid-Market*
SignalPath	28	3.8%	*Q3 2023*	*Mid-Market*
FrameLogic	25	3.4%	*Q2 2024*	*SMB*
CoreByte	22	3.0%	*Q4 2023*	*SMB*

CONCENTRATION SUMMARY

Top 1 Customer	**8.5%**
Top 5 Customers	**34.3%**
Top 10 Customers	**53.7%**
Remaining ~110 Cu	**46.3%**

Logo Retention Analysis

Sample SaaS Company — Customer Count Trends

($K MRR)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Total/Avg
LOGO COUNT BRIDGE													
Beginning Logos	108	111	113	115	117	120	118	119	120	121	123	124	124
(+) New Logos	6	5	7	6	8	5	6	5	5	6	5	7	71
(-) Churned Logos	-3	-3	-5	-4	-5	-7	-5	-4	-4	-4	-4	-5	-53
Ending Logos	**111**	**113**	**115**	**117**	**120**	**118**	**119**	**120**	**121**	**123**	**124**	**126**	**126**
Monthly Logo Churn Rate	2.8%	2.7%	4.4%	3.5%	4.3%	5.8%	4.2%	3.4%	3.3%	3.3%	3.3%	4.0%	3.8%
Annualized Logo Churn Rate	28.7%	28.0%	41.9%	34.6%	40.8%	51.4%	40.5%	33.7%	33.4%	33.2%	32.7%	39.0%	36.5%
Implied Annual Logo Retention	71.3%	72.0%	58.1%	65.4%	59.2%	48.6%	59.5%	66.3%	66.6%	66.8%	67.3%	61.0%	63.5%

Revenue Mix & Segmentation

Sample SaaS Company — ARR by Segment

Segment	MRR ($K)	% of Total	ARPU ($K)	Customers
Enterprise (>$1K MR	340	47.0%	1.45	24
Mid-Market ($400-$1	255	35.0%	0.65	39
SMB (<$400 MRR)	135	18.0%	0.28	48
Total	**730**	**100.0%**		**111**

SaaS Unit Economics

Sample SaaS Company — Customer-Level Economics

Metric	Value	Benchmark	Assessment
Customer Acquisition Cost (C	**18,500**	*$18K*	—
Average Contract Value (ACV)	**8,400**	*$8.4K*	—
Gross Margin	**78.0%**	*>75%*	**Adequate**
Customer Lifetime Value (LTV	**42,000**	*$42K*	—
LTV / CAC Ratio	**2.3x**	*>3.0x*	**Below**
CAC Payback Period (months)	**26**	*<18 mo*	**Elevated**
Monthly ARPU - Enterprise	**1,450**	—	—
Monthly ARPU - Mid-Market	**650**	—	—
Monthly ARPU - SMB	**280**	—	—
Total Active Customers	**120**	—	—

ARR Bridge — Annual View

Sample SaaS Company — Jun-24 to Jun-25

Component	Amount ($K)	% of Beginning ARR
Beginning ARR (Jun-24)	**5,400**	100.0%
(+) New Customer ARR	498	9.2%
(+) Expansion ARR	146	2.7%
(-) Contraction ARR	-122	-2.3%
(-) Churned ARR	-209	-3.9%
Ending ARR (Jun-25)	**8,760**	162.2%

YoY ARR Growth	**62.2%**

Monthly Bookings Analysis

Sample SaaS Company — New, Expansion, and Churned ACV

($K MRR)	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Total/Avg
BOOKINGS ($K MRR)													
New Customer MRR	42	38	45	40	48	35	45	40	38	42	40	45	498
Expansion MRR	12	14	10	11	15	12	10	14	12	11	13	12	146
Churned MRR	16	14	18	18	13	19	20	22	16	15	18	20	209
Net New MRR	**38**	**38**	**37**	**33**	**50**	**28**	**35**	**32**	**34**	**38**	**35**	**37**	**435**
BOOKINGS EFFICIENCY													
Gross Additions / Churned	3.4x	3.7x	3.1x	2.8x	4.8x	2.5x	2.8x	2.5x	3.1x	3.5x	2.9x	2.9x	3.2x
SaaS Quick Ratio	3.4x	3.7x	3.1x	2.8x	4.8x	2.5x	2.8x	2.5x	3.1x	3.5x	2.9x	2.9x	3.2x

Churn Root Cause Analysis

Sample SaaS Company — Churn by Reason and Segment

CHURN BY REASON (12-MONTH)

Reason	Logos Lost	MRR Lost ($I	% of Churn
Product-Market Fit / Wron;	14	62	30.0%
Price Sensitivity / Budget C	11	48	23.0%
Competitor Displacement	8	42	20.0%
Company Closed / M&A	5	28	14.0%
Unresponsive / Ghost Chu	7	27	13.0%
Total	**45**	**207**	**100.0%**

CHURN BY SEGMENT (12-MONTH)

Segment	Beginning Lc	Churned	Churn Rate
Enterprise	28	3	**10.7%**
Mid-Market	42	12	**28.6%**
SMB	55	30	**54.5%**

Model Assumptions & Data Sources

Sample SaaS Company

Assumption	Value	Source
COMPANY PROFILE		
Company Name	Sample SaaS Company	
Stage	Series B	
Industry	B2B SaaS — Analytics Platform	
Pricing Model	Per-seat + platform fee	
Current ARR	$8.76M	*MRR × 12*
Total Customers	120	*CRM*
Reporting Period	Jul 2024 — Jun 2025	

METHODOLOGY

MRR reconstructed from billing system data, reconciled to revenue recognition

Cohort = quarter of first paid invoice

NDR = (Ending MRR from cohort) / (Beginning MRR from cohort) over 12 months

LTV = ARPU × Gross Margin / Monthly Churn Rate

CAC = (Sales + Marketing) / New Customers Acquired

Model Checks & Tie-Outs

Sample SaaS Company

Check Description	Expected	Actual	Status
Ending MRR = Beg + New + Exp + Contr + Churn	730	730	**PASS**
Ending MRR M12 = 730K	730	730	**PASS**
Implied ARR = MRR × 12	8,760	8,760	**PASS**
Net New MRR = New + Exp + Contr + Churn	313	313	**PASS**