

Worksheet: The LTV Calculator

Calculate your customer lifetime value (LTV)

Choose the formula that makes the most sense for your business model and run your numbers.

Step 1: Choose your business model

- ☐ Ecommerce / Subscription retail
- ☐ SaaS / Digital services
- ☐ Other: _____

Step 2: Choose your LTV formula

Ecommerce or subscription retail:

$LTV = \text{Average Purchase Value} \times \text{Average Purchase Frequency} \times \text{Average Customer Lifespan}$

Metric	Enter your value
Average purchase value	
Average purchase frequency (per year)	
Average customer lifespan (in years)	
LTV	\$

B2B option 1:

$LTV = \text{Average Revenue per Customer} \times \text{Average Customer Lifetime}$

Metric	Enter your value
Average monthly revenue per customer	
Average customer lifetime (in months)	
LTV	\$

B2B option 2:

$LTV = \text{Average Revenue per Customer} / \text{Churn Rate}$

Metric	Enter your value
Average monthly revenue per customer	
Monthly churn rate (as decimal, e.g. 0.10 for 10%)	
LTV	\$

Choose the formula that makes the most sense for your business model and run your numbers.

 Step 2: Choose your LTV formula

B2B option 3:

$LTV = (\text{Avg. Revenue per Customer} \times \text{Gross Margin \%}) / \text{Revenue Churn Rate}$

Metric	Enter your value
Average monthly revenue per customer	\$
Gross margin % (as decimal)	
Revenue churn rate	
LTV	\$

 **Step 3: Calculate your LTV to CAC ratio**

$LTV\ to\ CAC = \text{Customer Lifetime Value} / \text{Customer Acquisition Cost}$

Metric	Enter your value
LTV (from above)	
CAC (average cost to acquire a customer)	
LTV to CAC Ratio	_____ :1

 Step 4: Interpret your LTV to CAC ratio

Ratio	What it means
< 1:1	Overinvesting: You're losing money acquiring customers
1–2:1	Marginal returns: Consider optimizing onboarding, pricing, or support
3:1–5	Healthy growth: Opportunity to scale with more confidence
> 5:1	Possibly underinvesting: Revisit your acquisition spend

Worksheet: The LTV Ladder

Compare and prioritize your most valuable customer segments



Map out and compare customer segments by LTV so you can identify your most valuable ones. Consider acquisition channel, in-product behavior, and retention trends. Use these insights to optimize your budget allocation, audience targeting, and personalization strategies.

	Segment name:	Segment name:	Segment name:
Acquisition channel			
Avg LTV (\$)			
Avg order value			
Customer lifespan			
Churn rate			
Repeat purchase rate			
Most used features			
Common drop-offs			
NPS trends			
Potential growth levers			