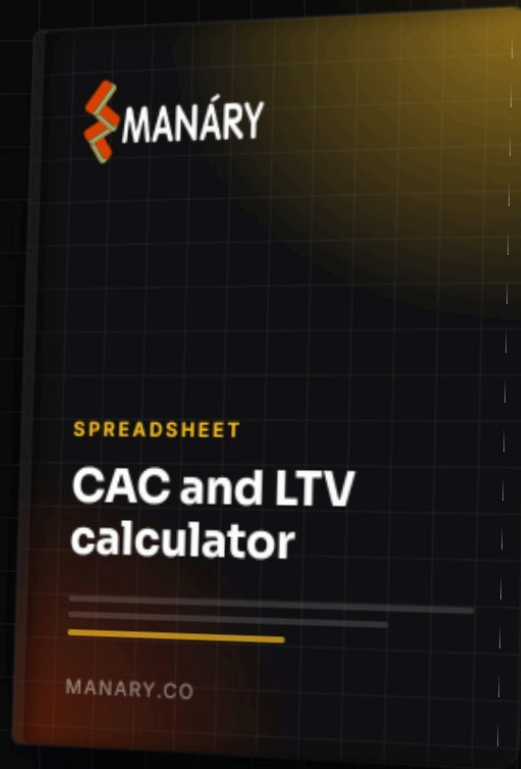


**SPREADSHEET**

Spreadsheet · Excel and Google Sheets

CAC and LTV calculator

A ready-made model to find out how much you can pay per customer without breaking your margin.

- ✓ A complete calculator right on the page, with CAC by channel
- ✓ The maximum CAC your margin can handle
- ✓ A spreadsheet to download and open in Excel or Google Sheets
- ✓ How to fill in each field so the math doesn't lie to you

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By Manary · Updated October 2026 · 9 min read

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This PDF is the version to keep and print. The interactive version, with the tool and the spreadsheet, is at manary.co/en/ebooks/cac-and-ltv-calculator/

THE 30-SECOND SUMMARY

- CAC is what it costs to win a customer; LTV is how much margin that customer leaves behind for as long as they stay.
- The question that matters isn't "what's my CAC?" but "how much can I pay per customer without losing money?"
- Here you get the calculator right on the page and a spreadsheet to download, with CAC by channel and the maximum CAC your margin can handle.

Every marketing budget decision hides a calculation: if I spend more, will the customers who come in pay back what they cost? Without that math, the company grows in the dark. Sometimes it grows and goes broke at the same time, because every new customer brings in revenue but takes out more than they leave.

This resource has two parts. The first explains, in plain language, how to do the math without fooling yourself. The second is the tool: a complete calculator right here on the page and a spreadsheet you can download, fill in with your real numbers and bring to your planning meetings.

CAC and LTV on one page

CAC (customer acquisition cost) is everything the company spent to win customers in a given period, divided by the number of new customers in that same period. And everything means everything: media, tools, the marketing team and the sales team, commissions, agency fees, events.

LTV (lifetime value) is how much margin a customer leaves with the company for as long as they remain a customer. Note the word margin: it isn't revenue, it's what's left after the cost of delivering the product or service.

CAC

FORMULA

Marketing and sales costs ÷ new customers

WHAT IT TELLS YOU

How much each customer cost

LTV

FORMULA

Monthly revenue per customer × margin × months as a customer

WHAT IT TELLS YOU

How much margin each customer leaves

LTV:CAC

FORMULA

LTV ÷ CAC

WHAT IT TELLS YOU

How many times over a customer pays back what they cost

Payback

FORMULA

CAC ÷ monthly margin per customer

WHAT IT TELLS YOU

How many months until the investment comes back

Maximum CAC

FORMULA

LTV ÷ target LTV:CAC ratio

WHAT IT TELLS YOU

How much you can pay per customer

That last metric is the one that changes the conversation. Instead of arguing about whether CAC is "high," the company decides how much it can pay per customer and starts comparing every channel against that ceiling. A channel below the ceiling can get more budget; a channel above it has to improve or go.

CAC on its own tells you nothing. Paying \$2,000 per customer is expensive if you sell \$100 a month, and cheap if you sell \$5,000 a month for three years.

The calculator

Use the average of the last three months to smooth out unusual months. The results update as you type.

CALCULATOR

How much you can pay per customer

Monthly figures. Use rough numbers if you don't have exact ones.

Media spend

\$ 25000

Tools and agency

\$ 6000

Marketing and sales team (salaries and commissions)

\$ 18000

Other acquisition costs (events, giveaways, travel)

\$ 1000

New customers per month

20

Average monthly revenue per customer

\$ 1500

Contribution margin

50

%

Average time as a customer

18

months

Know your monthly churn rate? Average lifetime $\approx 100 \div \text{churn (\%)}$.

The LTV:CAC ratio you want to keep

3

x

Total CAC **\$2,500**

Media-only CAC **\$1,250**

LTV (lifetime margin) **\$13,500**

LTV:CAC ratio **5.4x**

CAC payback **3.3 months**

Maximum CAC for your target **\$4,500**

Healthy: each customer returns 5.4x what it cost. There is room to invest more, up to a CAC of \$4,500.

If you sell one-off purchases or get only occasional repeat orders, use the average order value instead of monthly revenue, and the average number of purchases per customer instead of months.

Download the spreadsheet

The same math in Excel, with CAC by channel and a scenario dashboard. It also opens in Google Sheets (File > Import).

[Download spreadsheet \(.xlsx\)](#)

STEP 1

How to fill in each field

The calculator is only as good as the numbers you put into it. These are the details that make a difference.

Media spend

WHAT GOES IN

Everything paid to ad platforms during the month (Google, Meta, LinkedIn, TikTok, offline media)

COMMON MISTAKE

Using the planned budget instead of what was actually spent

Tools and agency

WHAT GOES IN

CRM, automation, ad tools, agency, freelancers

COMMON MISTAKE

Forgetting the tools someone pays for on their own credit card

Team

WHAT GOES IN

Salaries, payroll taxes and commissions for everyone working in marketing and sales

COMMON MISTAKE

Leaving it out because "we had the team anyway"

New customers

WHAT GOES IN

Only customers who bought for the first time during the period

COMMON MISTAKE

Counting renewals and repeat purchases from existing customers

Revenue per customer

WHAT GOES IN

The average amount a customer pays per month

COMMON MISTAKE

Using the list price instead of what you actually charge

Margin

WHAT GOES IN

What's left of revenue after delivery costs and sales taxes

COMMON MISTAKE

Using total revenue, as if delivery cost nothing

Time as a customer

WHAT GOES IN

How many months, on average, a customer stays

COMMON MISTAKE

Using what you hope for instead of your actual history

If your company is new and doesn't have retention history yet, use a conservative estimate and revisit it every quarter. Better to err on the low side than to justify budget with an LTV that will never materialize.

STEP 2

Maximum CAC: how much you can pay per customer

Maximum CAC is the ceiling the company is willing to pay to win a customer. The math is simple: LTV divided by the LTV:CAC ratio you want to keep.

Example: a customer pays \$1,500 a month, the margin is 50%, and they stay 18 months on average. LTV is $\$1,500 \times 50\% \times 18 = \$13,500$. If your target LTV:CAC is 3, the maximum CAC is $\$13,500 \div 3 = \$4,500$.

With that number, every channel gets a yardstick. A channel with a \$3,000 CAC has room for more budget. A channel with a \$6,000 CAC needs to improve its conversion, change its audience or hand its budget to another channel.

Why keep a safety margin

A 3:1 ratio is a common market benchmark, especially for recurring-revenue businesses, because it covers the company's fixed costs and still leaves a profit. Companies with little cash, or with retention that's still uncertain, may prefer a higher target. Companies with plenty of cash in a contested market sometimes accept a lower target for a while to gain market share.

STEP 3

CAC by channel

Total CAC tells you whether the business holds up. CAC by channel tells you where the budget should go. To calculate it, you need two things for each channel: how much was invested and how many new customers it brought in.

1

Split spend by channel

Media spend on each platform is easy. Shared costs (tools, team) can be split in proportion to leads, or kept in total CAC only.

2

Attribute every new customer to a channel

Use the source recorded in your CRM, with the same criteria every month. The e-book "The funnel nobody measures" shows how to make sure the source carries all the way through to the sale.

3

Compare against maximum CAC

Channel below the ceiling: a candidate for more budget. Channel above it: optimize before you keep it. Channel with no customers in three months: rethink its role or cut it.

4

Respect the sales cycle

With long sales cycles, today's customer came from a campaign that ran months ago. Compare one quarter's spend with the following quarter's customers.

The spreadsheet has a ready-made tab for this, with up to eight channels and each one's CAC compared against the ceiling.

STEP 4

How to read the result

Below 1

WHAT IT MEANS

Every new customer loses you money

WHAT TO DO

Don't scale; review channels, pricing, margin and retention

Between 1 and 3

WHAT IT MEANS

Profitable, but with little room to grow safely

WHAT TO DO

Improve conversion and retention before raising the budget

Between 3 and 5

WHAT IT MEANS

Healthy unit economics

WHAT TO DO

Test gradual budget increases and keep an eye on CAC

Above 5

WHAT IT MEANS

You may be investing less than you should

WHAT TO DO

Check whether you're leaving growth on the table

What about payback?

Payback shows how long the money you invested in a customer stays "on loan" before it comes back. Even with a healthy LTV:CAC, an 18-month payback takes cash to fund growth. Businesses with tight cash flow should look at payback first, and only then at the LTV:CAC ratio.

Recurring, one-time and repeat purchases

The math changes a little depending on your business model:

- **Subscription or monthly contract:** use monthly revenue and average retention time. This is where LTV is most predictable.
- **High-value one-time purchase** (real estate, equipment, courses): LTV is the margin on the sale, plus referrals and future sales if they actually happen. Maximum CAC ends up close to the margin on a single sale.
- **Repeat purchase (e-commerce, food, beauty):** use the average order value and the average number of orders per customer over 12 or 24 months. Track it by cohort: the customers won each month and how much they bought afterward.

How to improve the ratio without just cutting budget

Cutting budget lowers CAC in the short term, but it almost always lowers growth along with it. Before you go there, there are levers across the whole funnel:

Raise the conversion rate of your website and sales team

More customers from the same spend bring CAC down. Faster, clearer pages, short forms and quick responses to leads usually have a bigger effect than tweaking campaigns.

Improve lead quality

Optimizing campaigns for qualified leads or sales, rather than form fills, cuts wasted sales effort and lowers the cost per customer.

Raise order value or margin

Bundles, annual plans, add-on services and pricing reviews increase LTV without touching acquisition.

Keep customers longer

Good onboarding, proactive follow-up and fast support add months to how long customers stay. In recurring businesses, this is the most powerful LTV lever.

Reallocate budget across channels

With CAC by channel in hand, moving budget from channels above the ceiling to channels below it improves results without increasing total spend.

Frequently asked questions

Should I include salaries in CAC?

In total CAC, yes. Without them, CAC looks lower than it really is and encourages scaling without profit. To compare channels with each other, media-only CAC is useful too, as long as everyone knows which of the two is on the table.

What period should I use?

A three-month average is a good starting point. With long sales cycles, compare one period's spend with the next period's customers.

Why use margin instead of revenue for LTV?

Because revenue includes the cost of delivering the product. A customer who pays \$1,000 and costs \$700 to serve leaves \$300, and that \$300 is what has to cover the CAC.

Does the spreadsheet work in Google Sheets?

Yes. In Google Sheets, go to File > Import and upload the .xlsx file. The formulas keep working.

Want help getting to the real number?

Manáry builds your CAC by channel from your CRM data and works with you to set the ceiling for each channel.

[Talk to Manáry](#)



NEXT STEP

Want us to apply this to your business?

This material is what Manáry does every day with clients. If it makes sense, a specialist looks at your numbers and hands back the priorities, with no sales pitch.

[Get my diagnostic](#)

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