

# Tech Insights #284

## SaaS expenses

### Overview

This Tech Insights report looks at the four SaaS expense categories as a % of total expenses. We use a dataset of global SaaS companies on the first page and split companies into four groups based on revenue. We then compare the average expense ratios across each of these groups. On the second page we look at three SaaS companies from ANZ. We track these company's expense ratios over the last eight years relative to their revenue and EBITDA margins.

### SaaS company expenses as a % of total expenses (LTM)

#### General & Administration (G&A)

Expenses related to any overhead and corporate costs not related to R&D, CAC or CTS. This includes rent and finance & accounting salaries.

#### Research & Development (R&D)

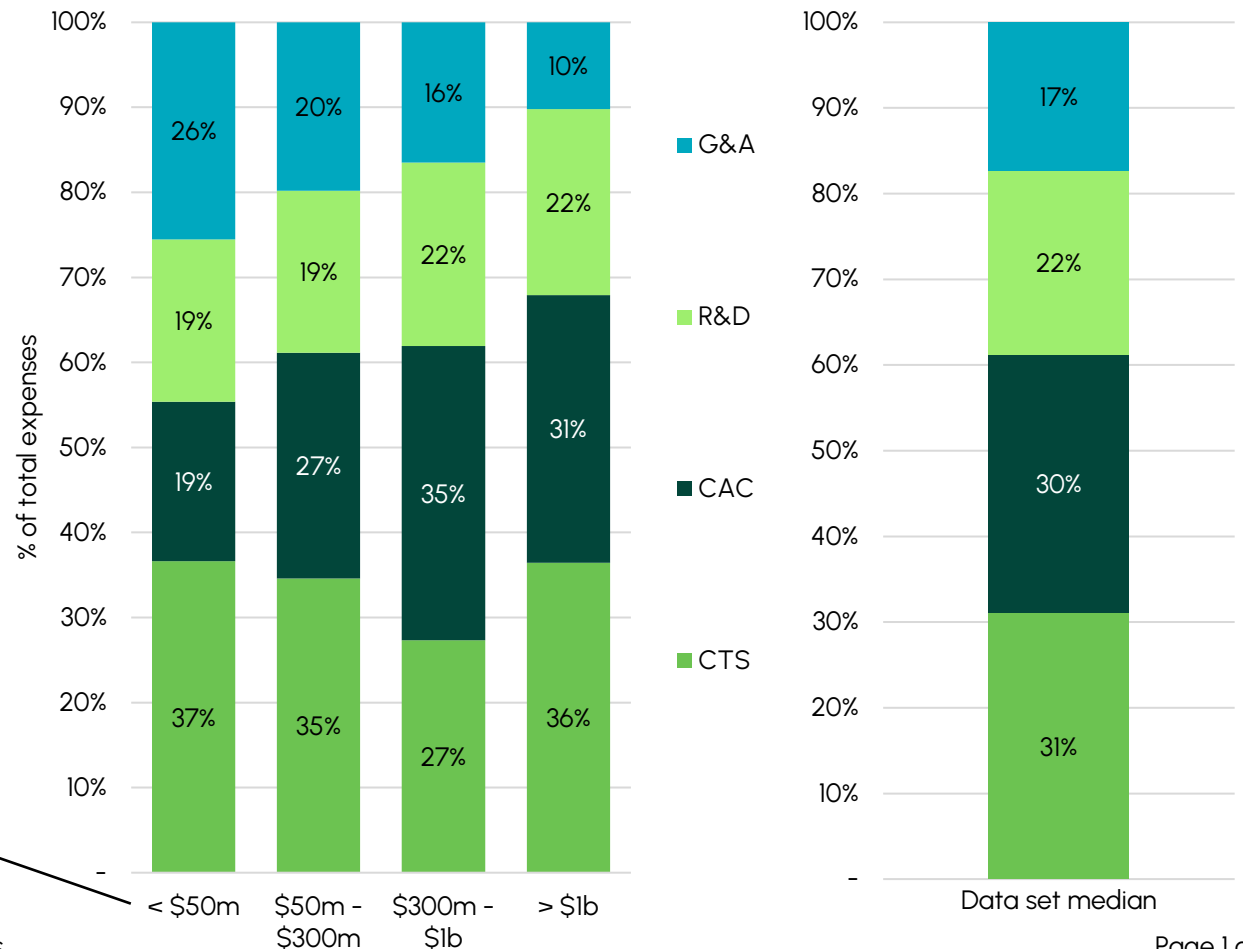
Expenses related to the development of the software product and/or platform, specifically the wages & salaries of engineers and developers directly related to product development.

#### Customer Acquisition Costs (CAC)

Sales & Marketing (S&M) as it is commonly referred to in non-SaaS terms, is an expense related to acquiring the customer, which typically includes sales salaries, marketing initiatives and onboarding.

#### Cost to Serve (CTS)

Cost of Sales (COS) as it is commonly referred to in non-SaaS terms, is an expense related to servicing, hosting (AWS, Azure, etc.) and supporting the customer.

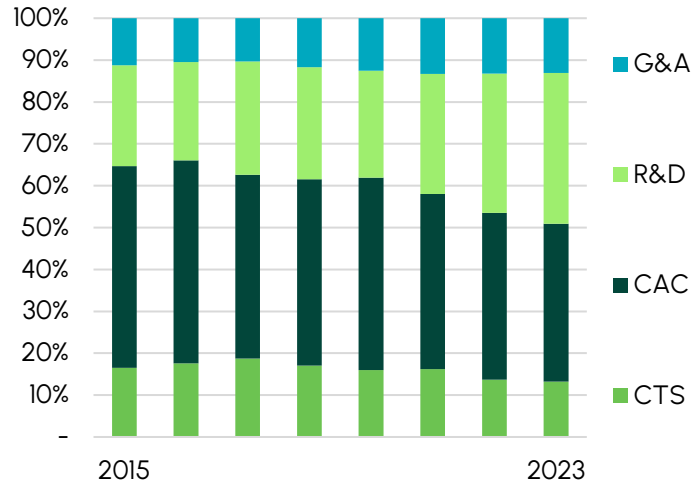


Data set groupings are based on revenue (USD)  
There are 40-60 companies in each band.

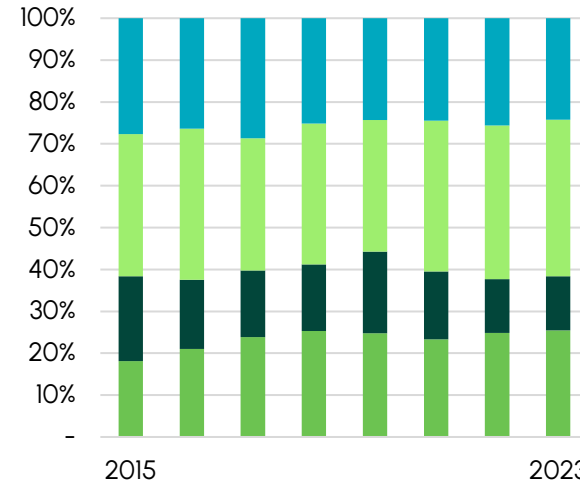
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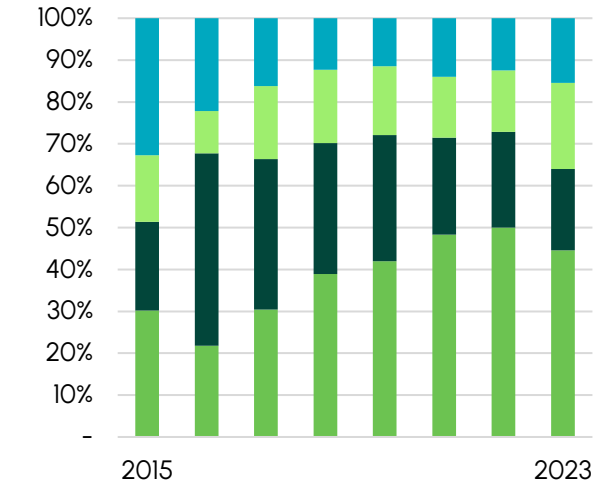
Xero (% of total expenses)



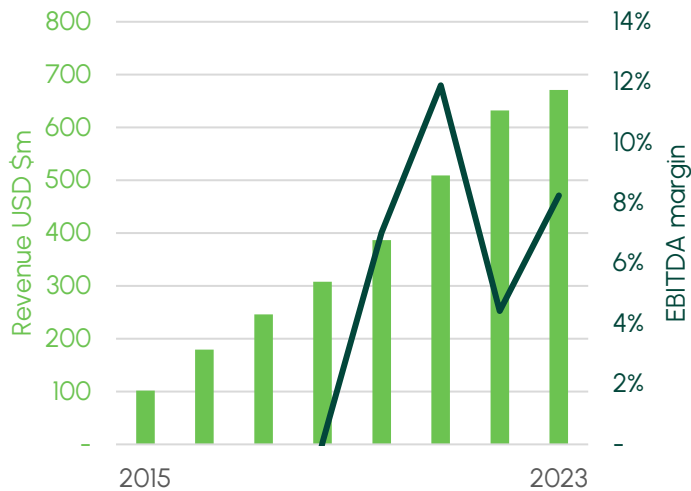
WiseTech



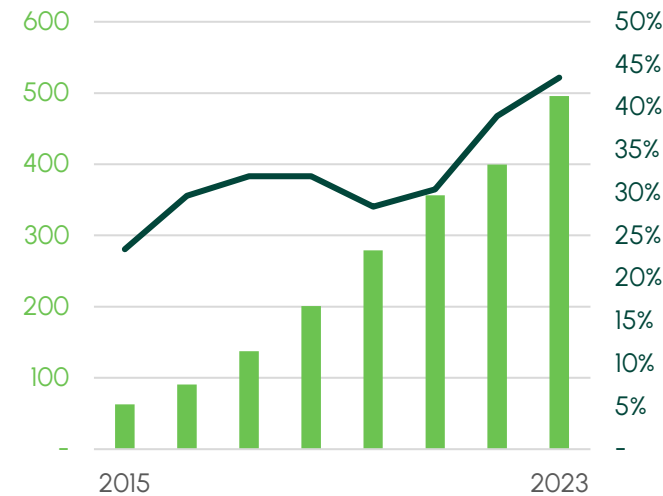
Pushpay



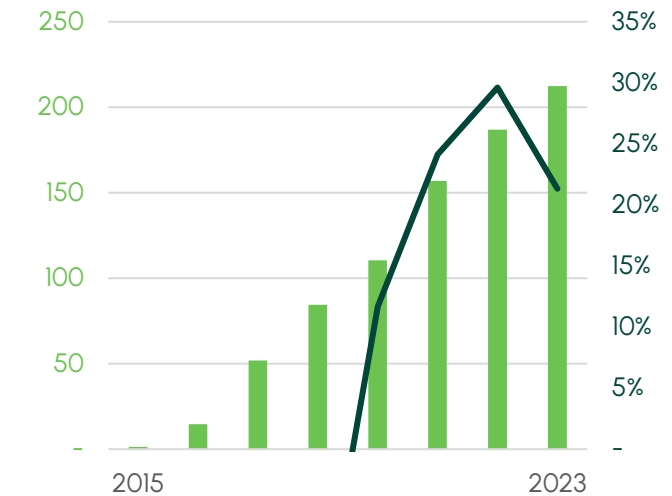
Xero (revenue and EBITDA margin)



WiseTech



Pushpay



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