

Marqeta digs into embedded finance ambitions after strong Q3

Article

The data: Marqeta's total processing volume (TPV) hit \$42 billion in Q3, growing 54% year over year (YoY) versus 60% YoY growth in the same period last year, [per](#) its earnings release. Revenues reached \$192 million, increasing 46% YoY—slightly slower than [Q3 2021's](#) 56% YoY growth.

How we got here: Marqeta's performance depends heavily on how well its clients do. And 20 out of Marqeta's top 30 clients grew at least 40% during Q3—which helped fuel strong revenue growth, CFO Mike Milotich said on the company's [earnings call](#). CEO Jason Gardner also highlighted Marqeta's strong customer relationships in the buy now, pay later (BNPL); neobank; and expense management verticals.

- **Block** by far makes up the largest share of Marqeta's business: It accounted for **72.5% of Marqeta's net revenues** in Q3, up from 69% in [Q2](#), Gardner noted. He attributed the increased share to Block's strong Cash Card and direct deposits performance—two Marqeta-powered products.
- But Marqeta has acknowledged it needs to diversify its client portfolio. With roughly 18 months left on its contract with Marqeta, per Gardner, Block hasn't decided whether to renew or not. Considering it pointed out banking opportunities for Cash App in [its most recent earnings](#), Block could conceivably venture out on its own instead—potentially putting a big dent in Marqeta's business.

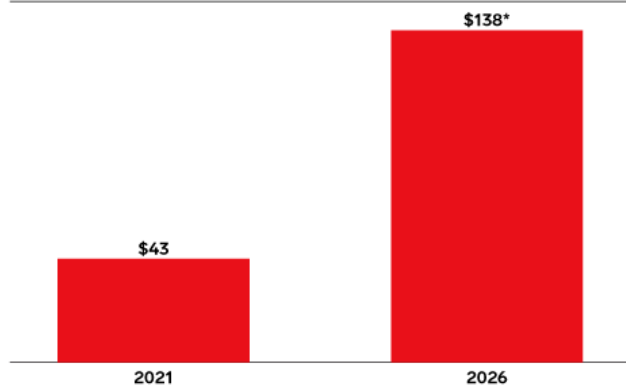
What's next? As economic uncertainty takes its toll and Block's decision to renew hangs in the air, Marqeta is leaning heavily into product expansion and innovation to tighten client relationships and forge new ones.

And it's redoubling its commitment to embedded finance:

- Gardner said Marqeta's "leading cloud-native, highly configurable API-first platform is well-positioned to power this trend."
- The company recently introduced [Marqeta for Banking](#), a suite of embedded banking and payment solutions that clients can use to create new value-added services for their customers.
- This is a smart move on Marqeta's end: The **global embedded finance market is expected to increase from \$43 billion in 2021 to just over \$138 billion by 2026**, [according to](#) Juniper Research.

Value of the Embedded Finance Market Worldwide, 2021 & 2026

billions



Note: *slightly more than \$138 billion

Source: Juniper Research, "Embedded Finance Market Value to Exceed \$138 Billion in 2026, as APIs Intensify Fintech Competitive Landscape," July 20, 2021

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