

Marqeta files to go public and discloses impressive growth numbers

Article

API-based issuer-processor Marqeta recently filed paperwork for an initial public offering with the Securities and Exchange Commission (SEC), [per](#) CNBC. Marqeta offers companies open APIs that they can plug into their platforms for things like digital payment issuing, transaction authorization, and fraud prevention. In its [S-1](#), Marqeta revealed key insights into its business: Last year, its total processing volume (TPV) reached \$60 billion, up 177% from

2019. Its annual revenues more than doubled to \$290.3 million, but losses reached \$47.7 million. It also said it operates in 36 countries and that it has issued more than 320 million cards to date.

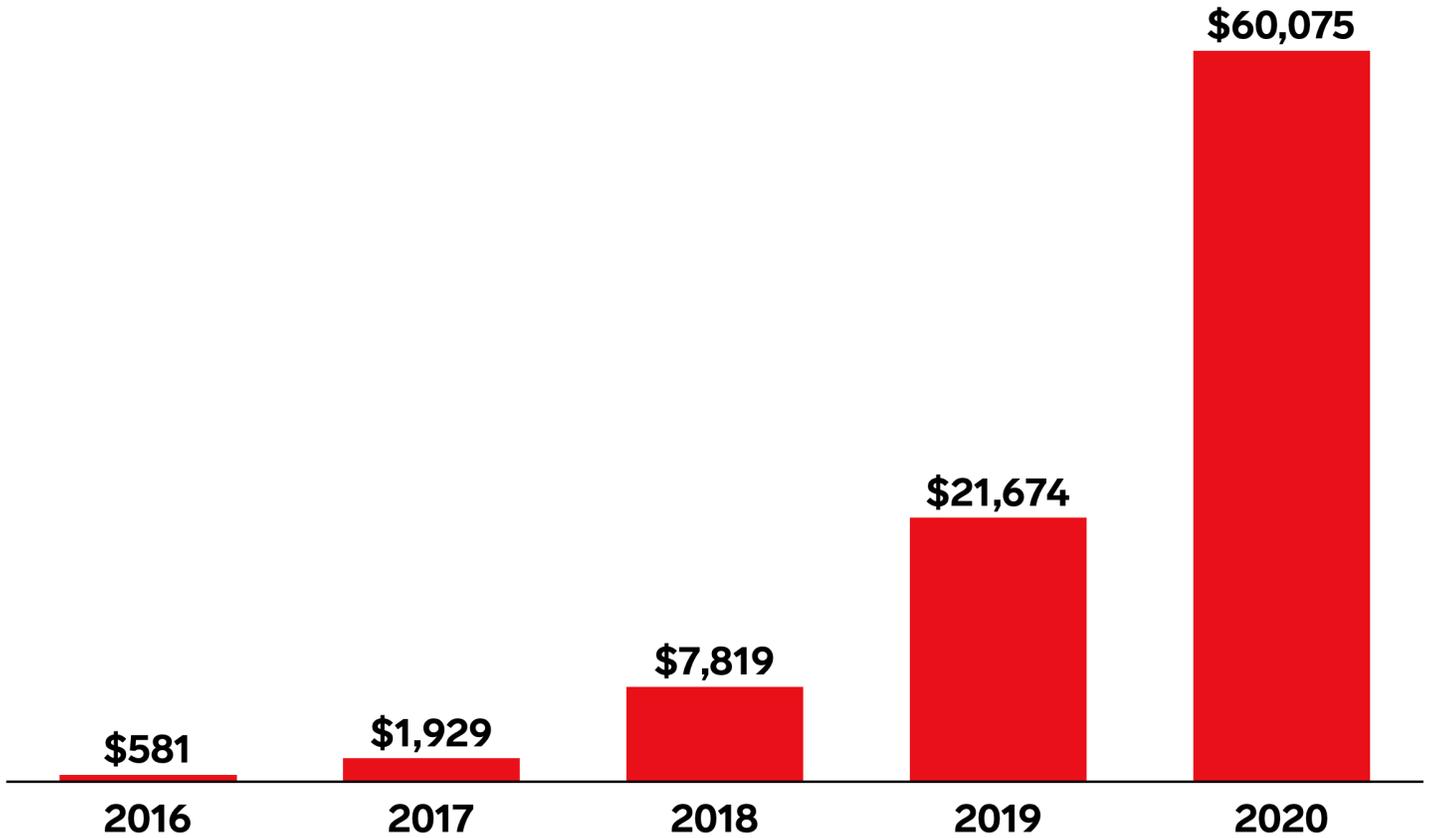
Marqeta's S-1 also noted some factors that lifted business in 2020—but may generate uncertainty going forward:

- **Instacart and DoorDash were two of Marqeta's key clients that helped drive up TPV in 2020.** Consumers leaned into [online grocery](#) and [on-demand delivery](#) services during the pandemic, but Marqeta conceded that as the pandemic subsides and Instacart's and DoorDash's businesses normalize, it could see a slowdown in growth.
- **Square, another client, contributed to 70% of its net revenue in 2020.** Square also experienced notable growth in 2020—its gross payment volume climbed [6%](#) YoY to reach \$112.3 billion in the period. But the firm warned that any reduction in its business with Square could have an adverse effect on its own business. To continue its growth trajectory, Marqeta will need to diversify its business and find new expansion opportunities.

With digital payments expected to continue climbing, Marqeta should explore other growth avenues that can help propel volume and revenues. Electronic payments are projected to represent 46% of global transaction volume by 2025, up from 31% in 2017, per data from Euromonitor [cited](#) by Marqeta. To capture that growth, Marqeta can lean further into existing opportunities like its [recently launched](#) credit card issuing business. It can also dive deeper into in-store cards—the firm just [partnered](#) with Afterpay to bring an in-store digital card offering to consumers in Australia and New Zealand, for example. Further exploring these opportunities can help it capitalize on the in-store space as consumers gradually [return](#) to in-store shopping: US in-store payment card volume is expected to grow 3.8% YoY in 2021, [per](#) Insider Intelligence forecasts. Jumping on these growth trends as it builds out its business can increase TPV and revenues while diversifying its clientele to help minimize the business risks it outlined in its S-1.

Marqeta Total Processing Volume (TPV)

millions



Source: Marqeta, 2021

Methodology: This data is from Marqeta's S-1 statement filed with the Securities and Exchange Commission on May 14, 2021.

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