

# Google's \$23b deal to buy Israeli cybersecurity startup Wiz reported to fall apart

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## Cloud security startup, which propelled its founders onto small list of Israeli billionaires, will seek IPO instead; deal may have collapsed over antitrust concerns, insiders say

Talks for Google parent company Alphabet to acquire Israeli-founded cybersecurity startup Wiz for some \$23 billion have fallen apart, multiple outlets reported on Monday, citing an internal memo sent by Wiz CEO Assaf Rappaport.

"Wizards, I know the last week has been intense, with the buzz about a potential acquisition," Rappaport wrote in the memo, obtained by both The Wall Street Journal and CNBC.

"While we are flattered by offers we have received, we have chosen to continue on our path to building Wiz," he wrote.

Following the apparent collapse of acquisition talks, Wiz will return to its goal of an initial public offering, which the company expressed interest in as recently as May.

Rappaport also wrote that the company will focus on its aim of achieving \$1 billion in annual recurring revenue, CNBC reported.

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Wiz was founded in 2020 by alumni of Israel's elite signals intelligence Unit 8200. The same team — Rappaport, Yinon Costica, Ami Luttwak and Roy Reznik, founded the firm Adallom, which was sold to Microsoft for \$320 million in 2015.

View of the Wiz cybersecurity company offices in Tel Aviv, July 15, 2024. (Flash90)

All four became billionaires as a result of their success, among 36 Israelis listed as such by Forbes in 2024.

The company says its platform can secure everything developers build and run in the cloud. It was established just as the COVID-19 pandemic sent entire industries online, sparking a surge in cloud-based servers.

In 2024, Wiz was valued at \$12 billion, but Alphabet was in talks to purchase the startup for almost double that, in what would have been the most expensive acquisition in the search giant's history.

The Israeli-founded startup left talks in part due to antitrust concerns, CNBC reported, citing "a person familiar with the company's thinking."

Google is already facing two antitrust suits from the US Justice Department, one over its search engine and the other over its advertising wing. The tech giant is also facing antitrust scrutiny in Europe, including a probe by Italy's antitrust agency that was reported this week.

Though a challenge to any Wiz acquisition was unlikely to arrive before the end of this US presidential administration, Republican sentiment against big tech firms suggested that such a deal might face similar scrutiny if ex-president Donald Trump returns to office in January 2025.

*Sharon Wrobel contributed to this report.*

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