

# Alphabet in talks to buy Wiz in \$23 billion cyber deal

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Google parent Alphabet Inc. is in talks to acquire cybersecurity startup Wiz Inc., according to a person familiar with the matter.

A deal may be worth as much as \$23 billion, said the person, who asked not to be identified discussing nonpublic information. That would make it the tech giant's largest acquisition to date. An agreement hasn't been reached and talks could still end without one, the person said.

A representative for Alphabet didn't respond to requests for comment. A spokesperson for Wiz declined to comment.

Alphabet already owns the cybersecurity firm Mandiant, which it bought for \$5.4 billion two years ago in its second-largest acquisition, topped only by its deal for Motorola Mobility Holdings LLC completed in 2012. An acquisition target as large as Wiz would be unusual for a big tech company like Alphabet and may draw even more scrutiny from antitrust regulators.

Google already faces several antitrust challenges, including a lawsuit by the U.S. Justice Department, accusing it of abusing its dominant position in online search and another one regarding its digital advertising tools.

The Wiz talks, which were previously reported by the Wall Street Journal, come on the heels of Alphabet shelving efforts to acquire customer relationship management company HubSpot Inc., which Bloomberg News reported last week.

Google shares, which have gained more than 33% this year, rose about 1% to \$186.54 at 1 p.m. in New York.

New York-based Wiz connects to cloud storage providers such as Amazon Web Services and Microsoft Azure and scans data stored there for security risks. The company, founded in 2020, was valued at \$12 billion during a May funding round that drew investors such as Andreessen Horowitz, Lightspeed Venture Partners and Thrive Capital.

The acquisition of Wiz could help Google catch up to Microsoft Corp. and Amazon.com Inc. in an increasingly competitive cloud market.

Alphabet has been ramping up investment in its cloud customer business, including offering more generative artificial intelligence tools for clients. Though Google still lags behind Microsoft and Amazon in the market for [cloud computing](#), the company reported that its cloud unit has been profitable in consecutive quarters, after years of the unit being a money-losing operation.

Opportunities are growing in the space as more startups move their apps and data to the cloud, particularly for generative AI purposes. Artificial intelligence tools are trained off of enormous data sets and often require vast amounts of compute power to generate content such as images, marketing campaigns or software code.

An Alphabet takeover of Wiz also stands to intensify Google's competition against Microsoft, the world's largest seller of cybersecurity products. Microsoft has been hit with a series of embarrassing hacks that have exposed corporate and government customers in recent years. A U.S. government report blasted the company earlier this year for its failure to stop hackers tied to the Chinese government from pilfering the email boxes of U.S. officials.

Google has been betting Microsoft's very public cybersecurity failures—along with deep discounts—will persuade corporate and government customers to use the search giant's productivity software rather than Office. In May, it released a white paper highlighting its rival's security lapses, and was considering launching similarly-themed social-media and advertising campaigns.

Google was also offering one free year to government agencies that switch 500 or more users to Google Workspace Enterprise Plus for three

years and said they would be eligible for a "significant discount" for the rest of the contract.

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