

Cyber security startup Wiz reportedly rejects \$23 billion acquisition proposal from Google

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Wiz has rejected a reported \$23 billion acquisition proposal from

Google parent Alphabet—as the cybersecurity startup pivots back to a previously-planned initial public offering, according to a company memo seen [by CNBC](#) and others.

That ends the prospect of what would've been the most expensive acquisition in Google's 25-year history. In a Monday memo to Wiz employees, as reported by CNBC, CEO Assaf Rappaport noted "saying no to such humbling offers is tough" but that the company had instead chosen to focus on its own next milestones—which include going public and reaching \$1 billion in annual recurring revenue.

Wiz and Google did not immediately respond to The Associated Press' requests for comment Tuesday.

Excitement around Wiz potentially inking a deal with Alphabet grew largely over the last week, as multiple outlets [cited](#) unnamed sources familiar with advanced talks, but neither company officially acknowledged the discussions. [According to CNN](#), which also saw Wiz's memo, Monday's note to employees did not mention Google or its parent by name—with Rappaport just alluding to "buzz about a potential acquisition."

Acquisition talks between companies can be very unpredictable—and, especially in today's world of Big Tech, often open the door for antitrust concerns.

The proposed deal to acquire Wiz, while now off the table, was aimed at elevating Alphabet's profile in the cloud computing market, a space currently led by Amazon and Microsoft.

That current pecking order may have given the Mountain View, California company some wiggle room to help knock down any potential red flags raised by regulators. Still, Google is no stranger to competition

concerns. The main pillars of the tech giant's empire—internet search and digital advertising—have become so prominent that the U.S. Justice Department has targeted them for antitrust violations in two separate lawsuits.

"We believe there will be ripple impacts across the sector from this [deal](#) not happening," Wedbush analysts wrote in a Tuesday note—predicting the move will accelerate Google's cyber security efforts. There will likely be more consolidation in the sector, the analysts added, as tech giants look for vendors to help strengthen their platforms.

Wiz, a four-year-old startup headquartered in New York, makes security tools designed to shield the information stored in remote data centers from intruders. Back in May, Wiz said it raised \$1 billion from venture capital investors in a funding round that valued the [company](#) at \$12 billion.

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