

M&A CASE STUDY · FALL 2025

Google × Wiz

The \$32 Billion
Cloud Security Bet

Mergers & Acquisitions · UC San Diego, Rady School of Management

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Agenda

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Wiz's industry context, Five Forces & competitive positioning

02

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Timeline, synergies, and why Wiz chose Google

03

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Our Team Analysis

Financial & strategic verdict — was this a good deal?

Background

Wiz is a cloud security platform that helps organizations identify, prioritize, and remediate risks across their cloud environments through agentless, multi-cloud visibility and analysis.

CNAPP

Cloud-Native Application Protection Platform

CSPM

Cloud Security Posture Management

New Entrants

Moderate

Capital requirements high; tech complex

Substitutes

Moderate

Native cloud tools & alternatives

Rivalry

HIGH

CrowdStrike, Palo Alto, Microsoft

Buyer Power

Moderate

Enterprise need = high WTP

Supplier Power

Low

Open-source tools available

Wiz's Competitive Edge

- Agentless architecture — no agents to deploy or manage
- Fast, frictionless deployment across cloud environments
- Full cloud-wide visibility in a single platform
- 50% Fortune 100 penetration within 4 years of founding

Why Google?

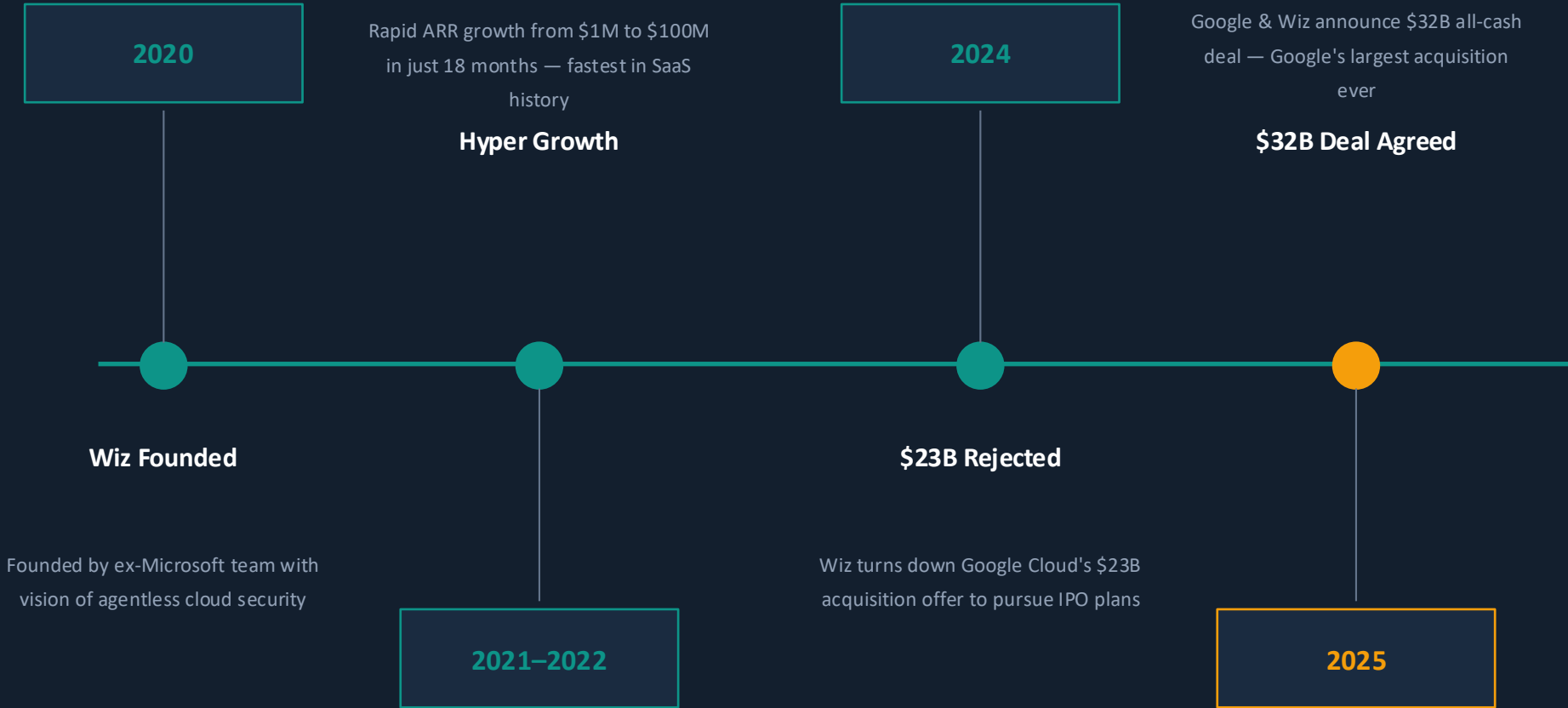
- Accelerate scaling through Google Cloud's global ecosystem
- Expand R&D using Google's AI + security infrastructure
- Enable high-value liquidity event for investors & founders

Wiz's Alternatives Considered

- **Remain Independent** — Continue standalone growth toward IPO at higher valuation
- **IPO** — Go public to access capital markets and gain liquidity
- **Strategic Alliances** — Partner with cloud providers without losing independence
- **Other Acquirers** — Engage AWS, Microsoft, Palo Alto Networks, or CrowdStrike

Google's Acquisition

Acquisition Timeline

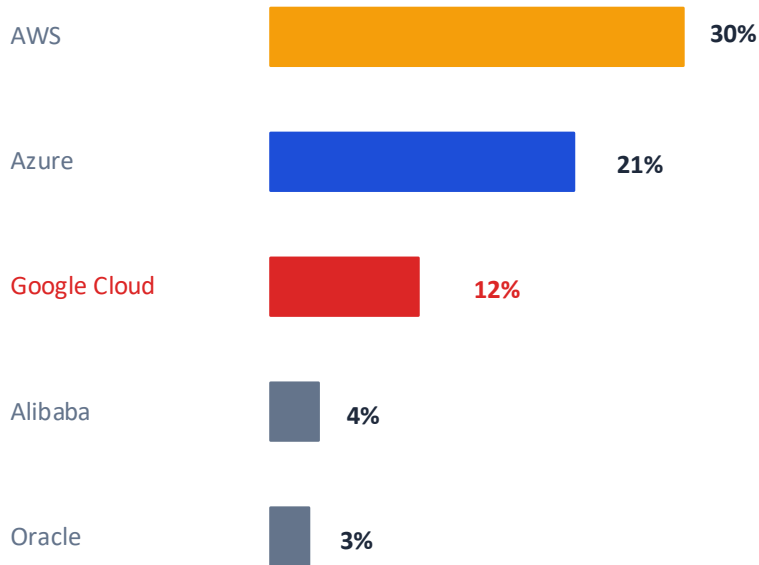


Synergy	Description	Expected Benefit
Innovation Acceleration	Integration into Google Cloud accelerates product development through AI infrastructure and resources.	Faster innovation and time-to-market
AI-Driven Cloud Security	Investment focuses on advancing AI-era cloud security and multi-cloud capabilities.	Improved security design, automation, and threat prevention across AI workloads
Operational Efficiency	Automated platform scales security operations and reduces manual workload.	Lower total cost of ownership and improved management efficiency
Market Expansion	Wiz's enterprise and startup customer base complements Google's existing market reach.	Broader adoption of Google Cloud and enhanced enterprise growth

Strategic Outlook

Cloud Infrastructure Market Share (Q4 2024)

\$91B total · +22% y-o-y



Why enterprises adopt multi-cloud

1

Avoid Vendor Lock-In

Relying on a single provider creates strategic and pricing risks. Multi-cloud gives enterprises stronger negotiation power and flexibility.

2

Optimize Workloads

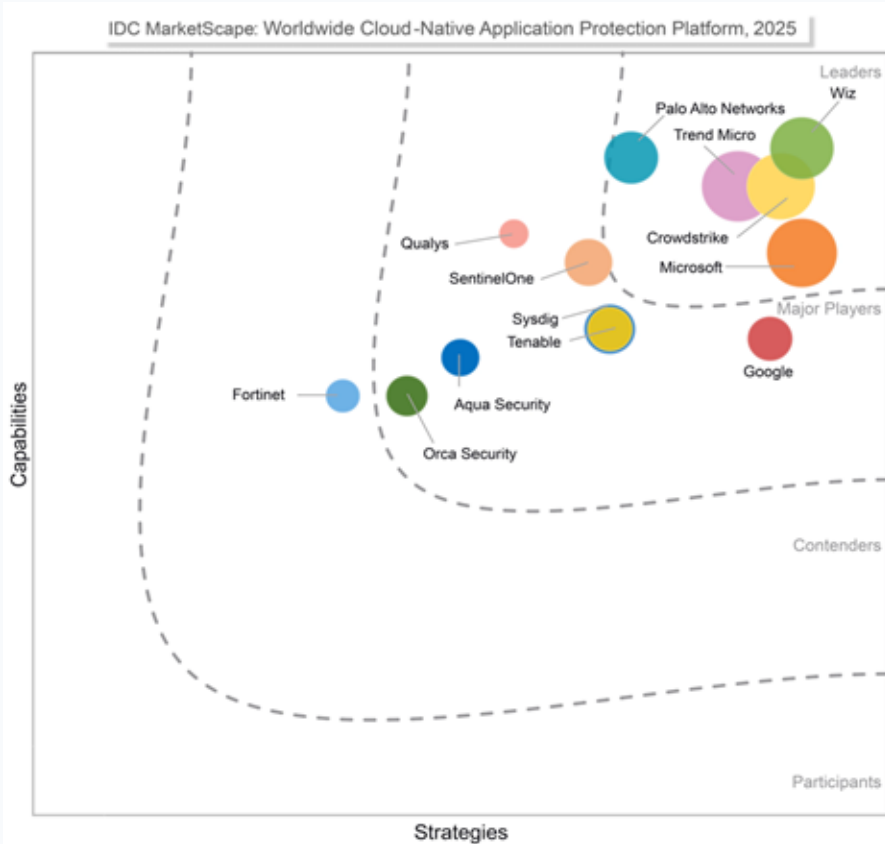
AWS for scale, Azure for enterprise integration, GCP for data/AI — companies place each workload where it performs best.

3

Increase Resilience

Multiple providers prevent a single point of failure and improve business continuity against outages.

Google's security tools remain largely GCP-centric — a structural disadvantage as enterprise demand for multi-cloud security grows.



Leaders — Wiz & Palo Alto Networks

- Most complete multi-cloud coverage (AWS, Azure, GCP, Oracle)
- Fastest enterprise adoption — ARR growing over 100% YoY
- Leading AI-driven and graph-based cloud security technology

Major Players — Google (current state)

- Cloud Security lags in technical capability vs. leaders
- Multi-cloud visibility and integration remain limited
- Enterprises don't view Google as first-choice security vendor
- Lacks fully integrated, end-to-end CNAPP solution

Internal Development

Build it from scratch

Speed of Execution

Requires 3–5 years to build full CNAPP capabilities. Google's past integrations (e.g. Mandiant) show slow time-to-market.

Market Competitiveness

Google remains in 'Major Players' quadrant. Cannot close gap with Palo Alto or CrowdStrike fast enough.

Product Completeness

Google tools remain GCP-centric. Lacks native AWS/Azure visibility and full CSPM/CWPP/CIEM coverage.

Partnership

API-level integration

Speed of Execution

Fast to start but limited to API-level integration. Cannot accelerate Google's core product roadmap.

Market Competitiveness

Provides no defensibility — competitors can replicate partnerships. Does not change Google's quadrant position.

Product Completeness

Does not enhance native Google capabilities. Still lacks a unified multi-cloud security dashboard.

Acquisition

RECOMMENDED

Buy the market leader

Speed of Execution

Instant leap to market-leading technology. Wiz ARR >100% — fastest adoption in CNAPP.

Market Competitiveness

Wiz is top-right in IDC Leaders quadrant. Immediately moves Google toward platform leadership.

Product Completeness

Wiz is natively multi-cloud (AWS/Azure/GCP/Oracle). Industry-leading graph-based risk engine and AI security.

Acquisition Deal Structure

Deal Overview

Target:	Wiz — cloud security platform founded in 2020
Acquirer:	Google Cloud (Alphabet)
Announced:	March 18, 2025
Deal Value:	US \$32B — largest acquisition in Google's history
Expected Close:	Pending regulatory approvals; expected 2026

Source: Google, SEC, Nasdaq

Deal Financing & Structure

Nature:	Friendly acquisition; negotiated and approved by both boards
Financing:	All-cash transaction — no stock, no share swap
Prior offer:	Google offered \$23B in 2024, which Wiz rejected
Negotiation:	Final agreement at \$32B as cybersecurity grew more critical for cloud platforms
Integration:	Wiz leadership to stay on and guide integration under Google Cloud

Premium & Revenue Multiple Analysis

45.7×

Revenue Multiple

\$32B ÷ ~\$700M revenue

167%

Premium vs. May 2024

\$12B funding round valuation

100%

Premium vs. Late 2024

\$16B secondary market valuation

39%

Premium vs. First Offer

\$23B Google offer mid-2024

Target	Acquirer	Deal Value	Revenue	Rev. Multiple
Wiz	Alphabet (Google)	\$32,000M	\$700M	45.7×
Auth0	Okta	\$6,408M	\$150M	42.7×
SailPoint	Thoma Bravo	\$6,900M	\$480M	14.4×
Mandiant	Alphabet (Google)	\$5,326M	\$461M	11.6×
Proofpoint	Thoma Bravo	\$12,300M	\$1,088M	11.3×
Splunk	Cisco	\$28,000M	\$3,980M	7.0×

01

Regulatory Review

The United States Department of Justice (DOJ) cleared antitrust review for the deal, finding no grounds for blocking the acquisition on competition concerns.

02

Integration Commitment

Google has publicly stated that Wiz's products will continue to work across all major cloud platforms (AWS, Azure, GCP) to ease multi-cloud regulatory and customer concerns.

03

Closing Conditions

Subject to regulatory approvals around the world. Deal expected to close in 2026 pending international review processes in key jurisdictions.

Key Takeaway

DOJ clearance removes the largest regulatory hurdle. Google's commitment to maintaining Wiz's multi-cloud interoperability was a strategic concession designed to prevent pushback from other cloud providers and enterprise customers.

Our Team Analysis

Financially — Overpriced

- Our team believes this price was too expensive
- The \$23B offer (2024) would have been far better value
- Google's stock dipped ~5% at announcement — investors skeptical
- This acquisition cost more than Google's previous 8 acquisitions combined
- 45.7× revenue is among the highest multiples ever paid in cybersecurity

Strategically — Essential Move

- Critical for Google — Wiz had unmatched market penetration
- Instant access to 50% of Fortune 100 clients
- Catapults Google from 'Major Player' to 'Leader' category
- No antitrust violations found as of November 2025
- Enables Google to compete in AI-era enterprise cloud security

Team Verdict

In general, it's hard to put a price tag on synergies — short-term investors just see a big number. The \$23B deal would have been more financially sound. However, the strategic necessity was clear, and the acquisition's true value will only be known once integration is complete.

Final Decision: ACQUISITION — Google × Wiz

Multi-Cloud Access

Google gains immediate access to AWS and Azure workloads through Wiz's native multi-cloud design — solving the structural GCP-centric gap.

AI + Security Fusion

Wiz benefits from Google's AI capabilities, threat intelligence, and global distribution network to accelerate product development.

Platform Leadership

Together, Google and Wiz can lead the industry shift toward unified, end-to-end cloud security platforms across the enterprise market.

Conclusion & Outcomes

- Google needed to address key gaps in its security portfolio — Wiz was the ideal target to fill them
- Wiz gains the chance to scale rapidly using Google's massive cloud infrastructure and global distribution
- If Google's goal is a market-leading security platform, this acquisition is the stepping stone to get there
- Given the recency of the deal, the true strategic effectiveness remains to be seen — success depends on seamless integration

Thank You

Questions & Discussion

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