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CIO JOURNAL

# Cyber Startup Wiz Raises \$1 Billion on Path to IPO

Andreessen Horowitz, Lightspeed Venture Partners and Thrive Capital led the funding round

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Wiz founders (from left to right) Yinon Costica, Assaf Rappaport, Ami Luttwak and Roy Reznik. PHOTO: AVISHAG SHAAR-YASHUV

Wiz said Tuesday it raised \$1 billion in a deal valuing the fast growing cloud security startup at \$12 billion.

Wiz said the funding round, which brings the company's total funding to \$1.9 billion, was led by Andreessen Horowitz, Lightspeed Venture Partners and Thrive Capital. Greylock Partners, Wellington Management and existing investors Cyberstarts, Greenoaks, Index Ventures, Salesforce Ventures, Sequoia Capital and former Starbucks chief executive Howard Schultz also participated.

Co-founder and Chief Executive Assaf Rappaport said Wiz expects 2024 to be a year of consolidation in cybersecurity and the company would use the round to fund acquisitions as well as for product and talent development.

Last month, Wiz said it acquired Gem Security, a cloud detection and response company. The company signed a letter of intent to acquire cybersecurity startup Lacework about a month ago, but after a period of due diligence it is reconsidering the value of its offer, according to a person familiar with the matter.

Wiz said it hit \$100 million in annual recurring revenue after 18 months, and achieved \$350 million in annual recurring revenue in 2023. The company has the wherewithal to go public at a time when the window for initial public offerings remains closed to most startups.

“Regarding a potential IPO, we are not rushing into it—we have previously indicated that we would move ahead once we reach \$1 billion ARR. For now, we intend to continue innovating and providing maximum value to our customers,” Rappaport said.

Wiz said it has hundreds of organizations worldwide using its technology and is working with more than 40 of the Fortune 100 companies.

The company’s founders sold their first startup, Adallom, to Microsoft in 2015. They left Microsoft and in 2020 launched Wiz. Early on, investors helped the company incorporate the needs of customers into its development, according to co-founder and Chief Technology Officer Ami Luttwak.

Wiz, based in New York with additional offices in the U.S. and Israel, is building a platform designed to meet an array of cybersecurity challenges in a cloud environment. That includes the security of a customer’s code base, as well as its engineering department, and functions such as identity management, artificial intelligence and data clouds and more, according to Luttwak.

“If you start breaking it out, you understand that in order to provide a platform that provides security for the cloud, you actually cover the entire supply chain of building this up,” Luttwak said.

The idea is to provide customers with enough context to understand which problems and vulnerabilities to address and when, Luttwak said.

Wiz planned on becoming a large company from day one, according to Rappaport. To that end, it focused on making sure gross margins, sales efficiency and R&D efforts were best in class, so it could concentrate on driving innovation and growth, he said.

“Our primary goal remains expanding our market share and expanding into new territories, as there’s a huge market opportunity awaiting—and the time for seizing this opportunity is now,” Rappaport said.

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