



**Ayodeji Oyetunde**  
Partner

Founded in 1993, Aluko & Oyetunde is Nigeria's largest full -service commercial law firm providing their clients with world class legal services delivered with the highest ethical standards. With their deep knowledge of Nigerian law and solid understanding of the client's industries, the firm strives to deliver excellent legal services across sectors such as Mergers & Acquisitions; Private Equity & Venture Capital; Capital Markets; Competition & Anti-Trust; Corporate Services; Corporate Governance and Compliance; Employment; Energy and Natural Resources; Financial Institutions Advisory; Infrastructure Finance and PPP; Intellectual Property; Litigation, Dispute Resolution & Risk Management.

**AVCA speaks to Ayodeji Oyetunde, Partner, Aluko & Oyetunde on the firm's history, ambitions and the evolution of Nigeria's private investment industry.**

## Q: Could you tell us about the history of the firm?

Aluko & Oyetunde was formed in 1993 by our two founding partners., Bankole Olumide Aluko and Gbenga Oyeboode. Since then, we have expanded rapidly and now have 16 partners – making us one of the largest Nigerian law firms by partner headcount – and overallmost a 100 Senior Associates and Associates.

Our focus has always been to be a one-stop corporate and commercial law firm, offering a wide range of services to clients operating in diverse sectors. We're proud to have grown alongside some of our very first clients, who we incorporated over 25 years ago and, as they have become large businesses worth hundreds with significant streams of millions of dollars in income. Our practices cover private equity, M&A, capital markets, banking, financial institutions advisory, energy and tax, to name only a few areas. Finally, we have offices in Nigeria's major commercial centres, Lagos, Abuja, and Port Harcourt, and have been consistently ranked as a leading law firm in Nigeria (recognised by Chambers Global, IFLR and Legal 500.)

## Q: What differentiates you from competitors in the private equity and venture capital space?

We have a well-established reputation as one of the top legal firms serving private equity and venture capital clients. The ethos of our Firm has always been to balance technical details with commerciality in our approach, and I believe this sets us apart from our peers. Fundamentally, we understand what drives our PE clients' deals and this is closely reflected in the

## NAME OF PROFESSIONAL SERVICES FIRM

Aluko & Oyetunde

## FIRM TYPE

Law Firm

## PROFESSIONALS FOCUSED ON AFRICA

5

nature of our advice.

Our private equity practice has worked with many clients ranging from very large, international private equity funds and institutional investors, to mid-sized firms. Some examples of the large transactions we have worked on in the past include the acquisition by the Helios Vitol consortium of Oando's downstream business and the US\$80mn investment in Beloxi by a consortium led by 8 Miles and made up of African Capital Alliance and DEG.

Apart from advising on acquisitions, we also provide advice and support to clients when exiting. We recently advised the South Africa-based Momentum Metropolitan Holdings in its exit of Metropolitan Life Nigeria – Nigeria's leading life insurance company – to Verod Capital and also acted for Allianz when it acquired Ensure Insurance PLC from a private equity investor.

## Q: Nigeria remains the standout jurisdiction in West Africa for private equity investors but there is strong competition from the likes of Senegal and Côte d'Ivoire, where growth has

## **been stronger. What are Nigeria's prospects over the next few years?**

We are bullish about Nigeria's prospects. It's important to remember that having a market leading position in one or two of Nigeria's key states can be equivalent to being number one in a neighbouring country. A comparison of the GDP, market size and population of some states in Nigeria against the numbers for some of our neighbours in the sub-region give a clear indication of the importance of the market.

While the country has faced significant challenges over the last few years – namely access to foreign currency and devaluations – these have to a large extent been overcome. Nigeria is predicted to grow by 2.5% in 2020 according to the IMF, while Côte d'Ivoire and Senegal's anticipated growth rates stand at 7.3% and 6.8%, respectively. Nonetheless, while anticipated growth in Nigeria is a little subdued, the outlook has improved after a strong end to 2019, and I believe many attractive opportunities can be sourced by discerning investors. The size of the Nigerian economy – alongside its population of 200 million people – is such that the country will remain an investment destination of choice for international investors.

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### **Q: What steps has the government taken to ensure the private sector is well positioned for success?**

Nigeria's government has taken proactive steps to accelerate growth and ensure that companies are well positioned to grow, particularly in the private equity space. The new Finance Act has liberalised part of the financial sector and has provided a lot of certainty on many issues that have hindered businesses for years. Most notably, the companies income tax exemption that benefits companies with a gross annual turnover of less than N25mn (US\$70,000) – is applicable to the vast majority of businesses in Nigeria ranging from family-owned shops to small trading companies and will create much-needed jobs and contribute to GDP growth.

The Central Bank of Nigeria has taken an active stance to ensure a decline in the interest rates, resulting in an uptick in interest in the equities market. We see this as an encouraging sign that could lead to new IPOs and public offers, which would create an additional exit opportunity for private equity investors in Nigeria. This has also reduced the lending rates for businesses, resulting in more income for businesses to either reinvest or declare as profit, and a higher disposable income for consumers.

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### **Q: Nigerian tech start-ups got over half of venture capital funding raise in Africa in 2019. How do you see the ecosystem evolving over**

## **the next few years?**

Nigeria's venture capital ecosystem has grown at an exponential rate over the last few years. The key factor driving this is our population size and the tremendous gap that exists in the digital space. We have a population of 200 million with almost as many active mobile phone lines. In contrast, only about 20% of the population have access to formal financial services. Innovation and the advent of mobile connectivity have unlocked significant opportunities in the FinTech sector, whether in terms of expanding access to financial services for the unbanked or in improving the payments ecosystem. Beyond FinTech, we've also witnessed significant investments and growth in the logistics, sustainable energy and agritech sectors.

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### **Q: Could you shed some light on a private equity transaction you've recently advised on?**

Some of the most recent private equity deals that we have recently closed are yet to be announced, so we are unable to provide any specific details on them, apart from stating that they are in the education and agriculture sectors.

However, we recently advised Goodwell Investments, via its West Africa partner, Alitheia Capital, on its investment in MAX.ng, the pioneer app-based motorcycle hailing in West Africa. Under the investment round, MAX.ng raised about US\$7.5mn from a group of investors including NovaStar Ventures, Yamaha, Bill Gates-backed Breakthrough Energy Ventures, Africa-based Zrosk Investment Management and Goodwell Investments' uMunthu Fund.

We also advised Verod Capital on the acquisition of 85% equity in ARM Life Plc by Metropolitan Life Insurance Nigeria Limited (Metropolitan is wholly owned by a subsidiary of Verod Capital). Interestingly, we also provided advice on the sale of Metropolitan Life Insurance Nigeria Limited to the Verod Capital group.

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### **Q: Where do you see the firm in five years' time?**

We have ambitious plans for the next five years. Strategically, we aim to remain the number one firm of choice in Nigeria and retain this position not just in the private equity space but across all practice areas. In terms of size, we plan to grow our footprint – at Partner, Senior Associate and Associate level – from approximately 120 lawyers to 200 over the next five years. Finally, we expect our private equity practice to also grow as we advise on more deals taking place across a wider range of sectors.

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### **Q: How has the AVCA membership been of value to you?**

I have been very impressed with AVCA and we consider ourselves a member of the AVCA family. Our membership has added significant value to us as a practice specifically and as a firm more generally. Last year's conference in Nairobi was my first and we have very fond memories of the event, which convened all the key players. I was fortunate to be introduced to a leading general partner at the event who then became a client, whom we have since advised on two major transactions. I'll be attending the next conference in Dakar and look forward to seeing old and new faces at the event.

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Want to learn more about Aluko & Oyebode?  
[Click here](#) to explore AVCA's 2019 Member Directory.

### CONTACT AVCA

37 North Row  
3rd Floor  
London W1K 6DH

E [avca@avca-africa.org](mailto:avca@avca-africa.org)  
W [www.avca-africa.org](http://www.avca-africa.org)  
C [www.avca2020.com](http://www.avca2020.com)  
T +44 (0)20 3874 7008

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