

The Actelion story

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The most important biotech success in the history of the Basel region is Actelion. The company was founded in 1997 in Allschwil, a suburb of Basel in the canton of Basel-Landschaft, by a group of scientists who had worked in research at Roche, among them Jean-Paul Clozel and Martine Clozel.¹ The founders took with them their knowledge of the endothelin system, on which they had worked at Roche, and obtained rights to a compound that Roche had decided not to develop further. This compound became bosentan, marketed as Tracleer for the treatment of pulmonary arterial hypertension, a rare and severe disease.

Actelion went public on the New Market segment of the Swiss Exchange in April 2000, shortly before the end of the technology boom.² Tracleer obtained approval from the American Food and Drug Administration in 2001 and became a commercial success, generating revenues that financed further research. The company followed with other medicines for pulmonary arterial hypertension, which allowed it to defend its position in that market as Tracleer approached the end of its patent protection. Actelion thus became one of the few European biotech companies that grew into a profitable, fully integrated pharmaceutical company, with its own sales organisation in many countries.

In January 2017 Johnson & Johnson announced that it would acquire Actelion for about thirty billion dollars, or two hundred and eighty dollars per share, in cash.³ The transaction was structured so that the research and early development activities were spun off into a new company, Idorsia, whose shares were distributed to Actelion's shareholders and listed on the SIX Swiss Exchange in June 2017. Johnson & Johnson took a stake in Idorsia and received options on certain of its products. The structure allowed the founders to continue their research work in a new company while the shareholders realised the value of the commercial business.

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Idorsia's later history illustrates the difficulty of repeating such a success. The company invested heavily in research and in the launch of its own medicines, financed partly by convertible bonds and loans from its founders and from shareholders. After disappointing sales and setbacks, it faced severe financing difficulties from 2023 onwards and had to restructure its debt and sell or license several assets.⁴ The contrast between Actelion and Idorsia shows how much the outcome of a biotech venture depends on clinical results and the timing of capital markets, and how limited the influence of even very experienced management is on these factors.

1 Notes

1. On the foundation of Actelion Ltd in December 1997 by Jean-Paul Clozel, Martine Clozel, Walter Fischli and Thomas Widmann, former employees of Roche, see the company's history and press reporting. To be verified. ↩
2. Initial public offering of Actelion on the SWX New Market in April 2000. To be verified. ↩
3. Announcement by Johnson & Johnson and Actelion of 26 January 2017 on the acquisition of Actelion for USD 280 per share in cash, about USD 30 billion in total, completed in June 2017. To be verified. ↩
4. On Idorsia's financing difficulties, the restructuring of its convertible bonds and the licensing and sale of product rights in 2023–2025, see the company's ad hoc announcements and annual reports. Status to be verified. ↩

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