Building Value through Innovative Medicines

2018 Second Quarter Financial and Corporate Update

July 31, 2018

Forward-looking Statements

Except for the historical information set forth herein, the matters set forth in this presentation contain predictions, estimates and other forward-looking statements, including without limitation statements regarding: our ability to capitalize on potential opportunities for additional growth, to grow our top-line revenue quickly or at all and to develop any of compounds in our development portfolio successfully; the expectation that top-line growth could be accelerated by future launches and the anticipated and possible timing of future NDAs and sNDAs; our long-term Jakafi guidance; opportunities for the later-stage development portfolio to grow revenue and for us to achieve long-term success; the expected timing of the sNDA submission seeking approval of ruxolitinib in GVHD and whether or when approval will be obtained and whether we will launch ruxolitinib in this indication, if approved; the expected timing of data from the trial evaluating pemigatinib in patients with cholangiocarcinoma, and whether and when we will submit an NDA with respect thereto, and the expected timing of data from the trials of ruxolitinib cream in atopic dermatitis, pemigatinib in bladder cancer and ruxolitinib with INCB50465 in refractory myelofibrosis; our plans and expectations for development of and clinical trials our other product candidates, including the potential timing for regulatory submissions; our expected year-end level of cash and marketable securities; and our updated guidance for 2018.

These forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may cause actual results to differ materially, including unanticipated developments in and risks related to: unanticipated delays; further research and development and the results of clinical trials possibly being unsuccessful or insufficient to meet applicable regulatory standards or warrant continued development; the ability to enroll sufficient numbers of subjects in clinical trials; determinations made by the FDA; Incyte's dependence on its relationships with its collaboration partners; the efficacy or safety of the Company's products and the products of Incyte's collaboration partners; the acceptance of Incyte's products and the products of Incyte's collaboration partners in the marketplace; market competition; sales, marketing, manufacturing and distribution requirements; greater than expected expenses; expenses relating to litigation or strategic activities; and other risks detailed from time to time in Incyte's reports filed with the Securities and Exchange Commission, including its Form 10-Q for the quarter ended March 31, 2018. Incyte disclaims any intent or obligation to update these forward-looking statements.

Corporate Review

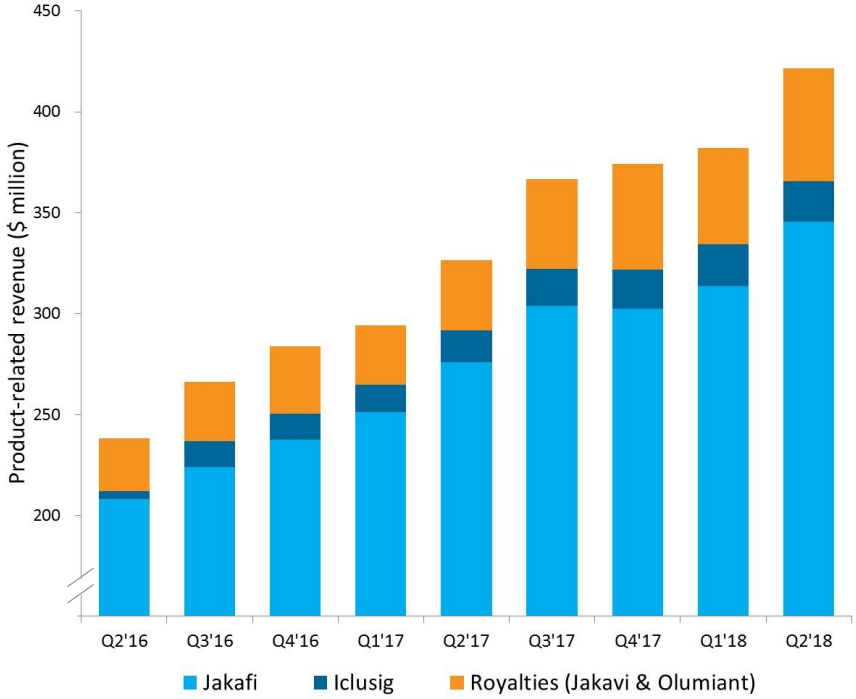
Hervé Hoppenot

Chief Executive Officer

Financially Positioned for Success

Significant revenue momentum and a strong balance sheet

- **Four sources of revenue driving top-line growth**
  - Jakafi® +25% YoY
  - Iclusig® +27% YoY
  - Royalties (Jakavi® & Olumiant®) +61% YoY
- **Strong balance sheet[1]**
  - $1.2 billion cash and equivalents
  - $100 million milestone from Lilly[2]
  - Less than $25 million debt



1. Balance sheet date June 30, 2018 2. Related to FDA approval of Olumiant (baricitinib); recognized in Q2'18 income statement, not included in Q2'18 balance sheet
Jakavi (ruxolitinib) licensed to Novartis ex-US, Olumiant (baricitinib) licensed to Lilly worldwide; these brands are trademarks of Novartis (Jakavi) and Lilly (Olumiant) and are not trademarks of Incyte

Expanding and Consolidating Incyte's Leadership in MPNs

Near-term upside opportunities

- Improved duration of therapy in MPNs
- Greater penetration, especially in PV
- Potential launch in steroid-refractory GVHD

Extending our leadership in MPNs

- Novel formulations
- Ruxolitinib-based combinations
- Novel targets beyond JAK inhibition

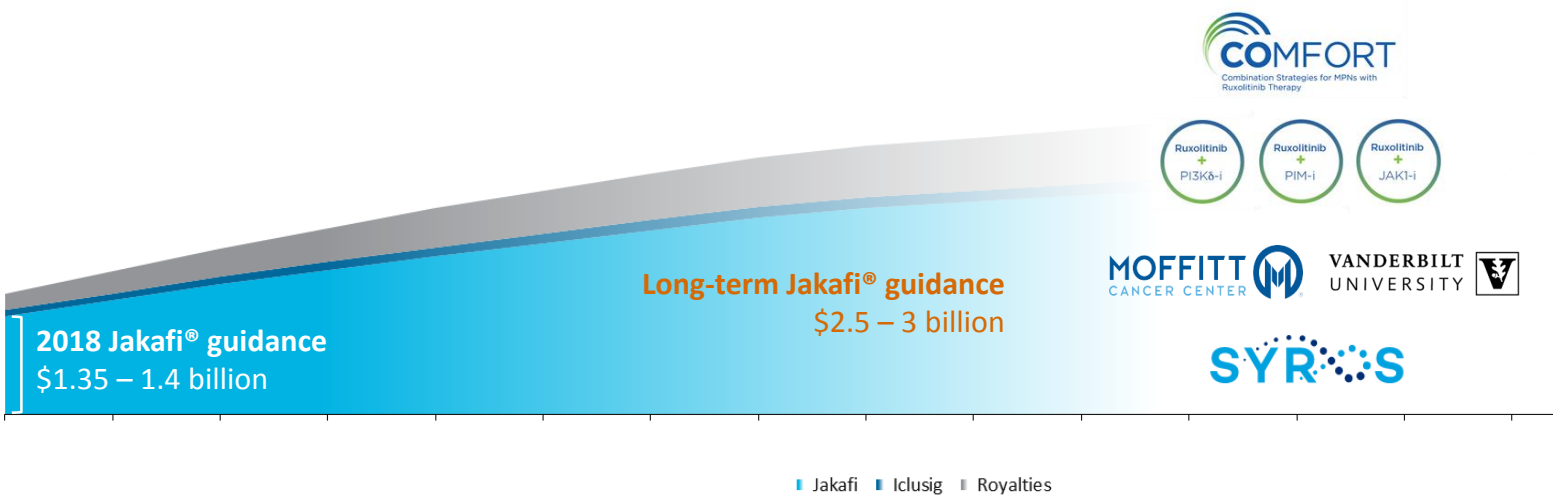


Figure based on consensus estimates for Jakafi, Iclusig® and royalties

Revenue Acceleration Expected to be Driven by Multiple Products

- Global development and commercialization rights for new candidates
- Near-term potential to drive significant revenue growth
- Early-stage portfolio adds additional optionality

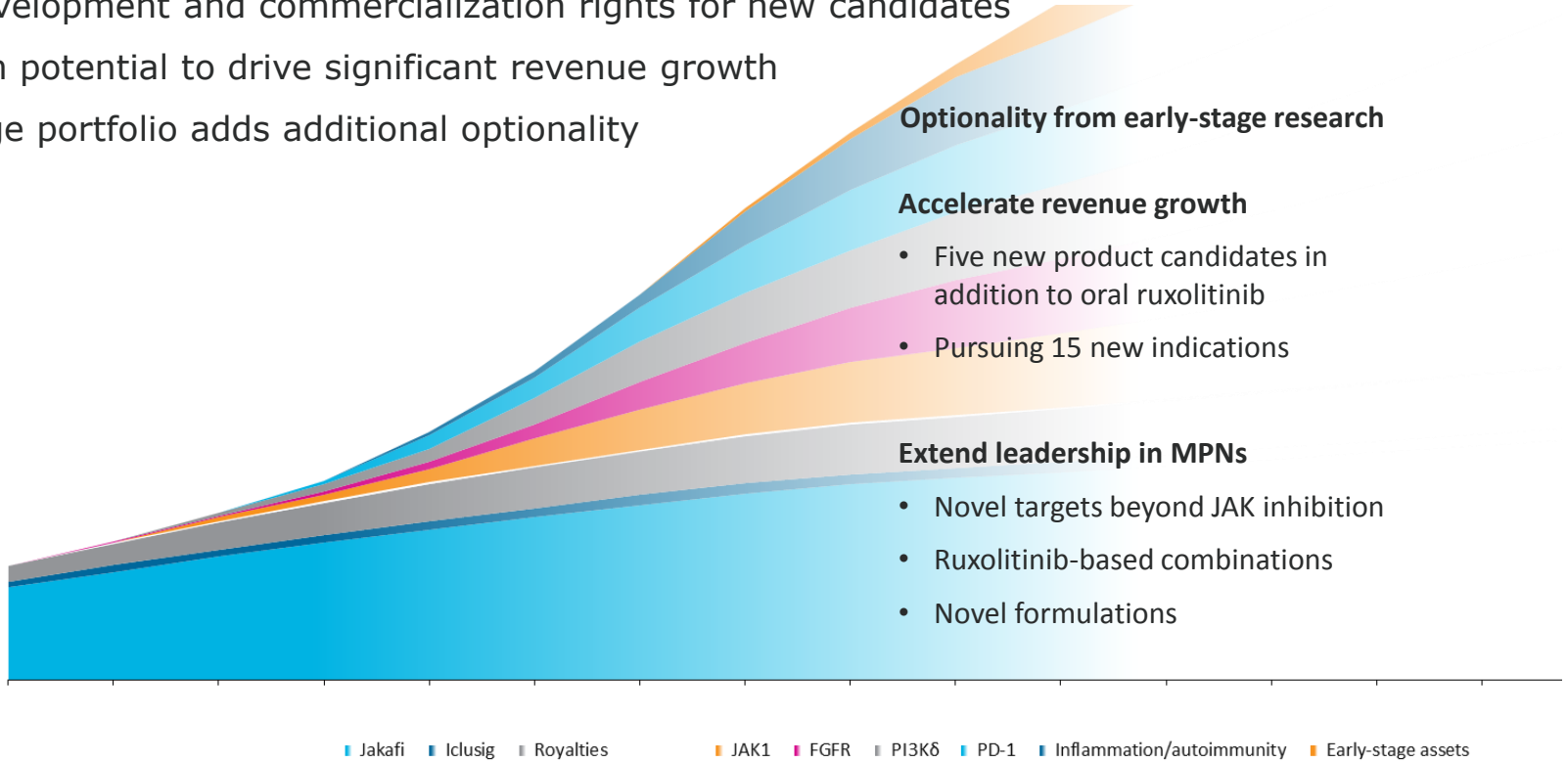


Figure based on consensus estimates for Jakafi®, Iclusig® and royalties and illustrates potential revenue build upon launch of new compounds and new indications, with peak sales potential between $500 million and $2 billion, not risk adjusted

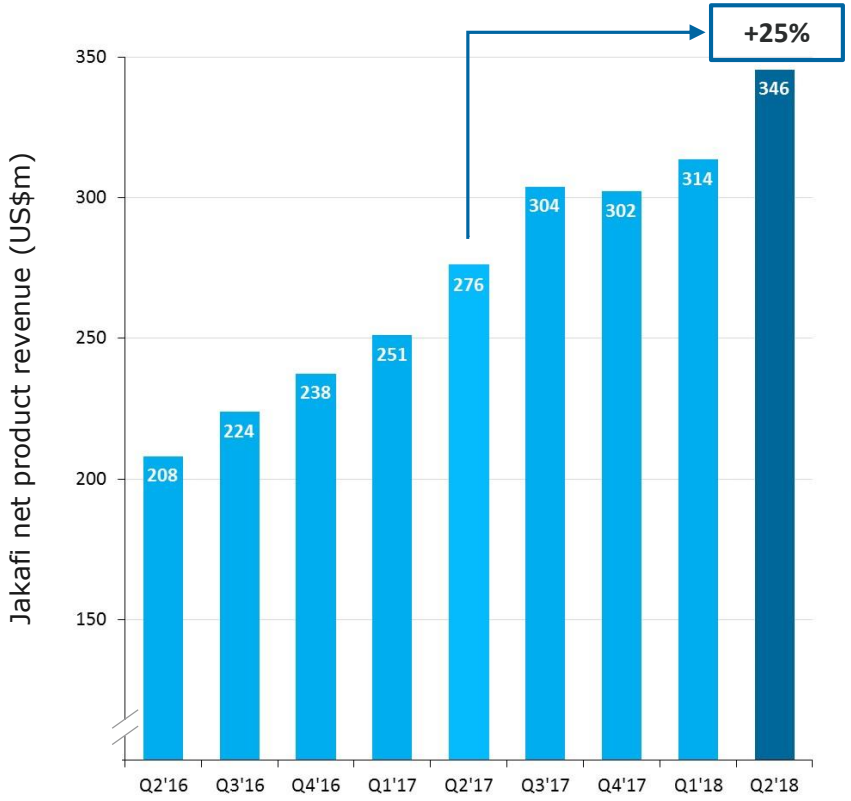
U.S. Commercial Update

Barry Flannelly

General Manager, U.S.

Jakafi® Revenue Increased 25% over Q2 2017

- **Significant revenue growth**
  - 25% year-on-year increase
- **Robust prescription demand**
  - 16% YoY growth in total patients
- **Reiterate FY 2018 guidance**
  - Range of $1.35-1.40 billion



Jakafi (ruxolitinib) is approved by the FDA for treatment of people with intermediate or high-risk myelofibrosis and for treatment of people with polycythemia vera who have had an inadequate response to or are intolerant of hydroxyurea.

Launch Preparations Underway Following Successful REACH1 Results

- **Primary endpoint met:** sNDA submission for Jakafi® planned for Q3 2018
- **Breakthrough Designation** may provide for rapid regulatory review

- **Preparations for potential U.S. launch**
  - Incyte will launch Jakafi immediately upon approval
  - The top 50 transplant centers by volume conduct over 70% of allogeneic stem cell transplants
  - The US field force has been optimally sized and structured to support GVHD opportunity
  - Pre-launch meetings with payers are being executed to obtain coverage

Map shows top 50 transplant centers according to transplants by volume in 2015, which conduct over 70% of allogeneic stem cell transplants

Clinical Development

Reid Huber

Chief Scientific Officer

Multiple Initiatives Ongoing to Enhance Benefits for MPN Patients

Discovery initiatives

Novel target discovery

Incyte · MOFFITT CANCER CENTER · VANDERBILT UNIVERSITY · SYROS

Development initiatives

Ruxolitinib-based combinations

COMFORT Combination Strategies for MPNs with Ruxolitinib Therapy

Ruxolitinib + PI3Kδ-i · Ruxolitinib + PIM-i · Ruxolitinib + JAK1-i

Goals for next-generation MPN therapies:

- **Improved patient outcomes**:
  Greater spleen volume reduction and/or TSS scores
- **Reduced disease burden**:
  Molecular response, improved fibrosis and/or hematologic benefits
- **Improved safety**:
  Improved hematologic safety

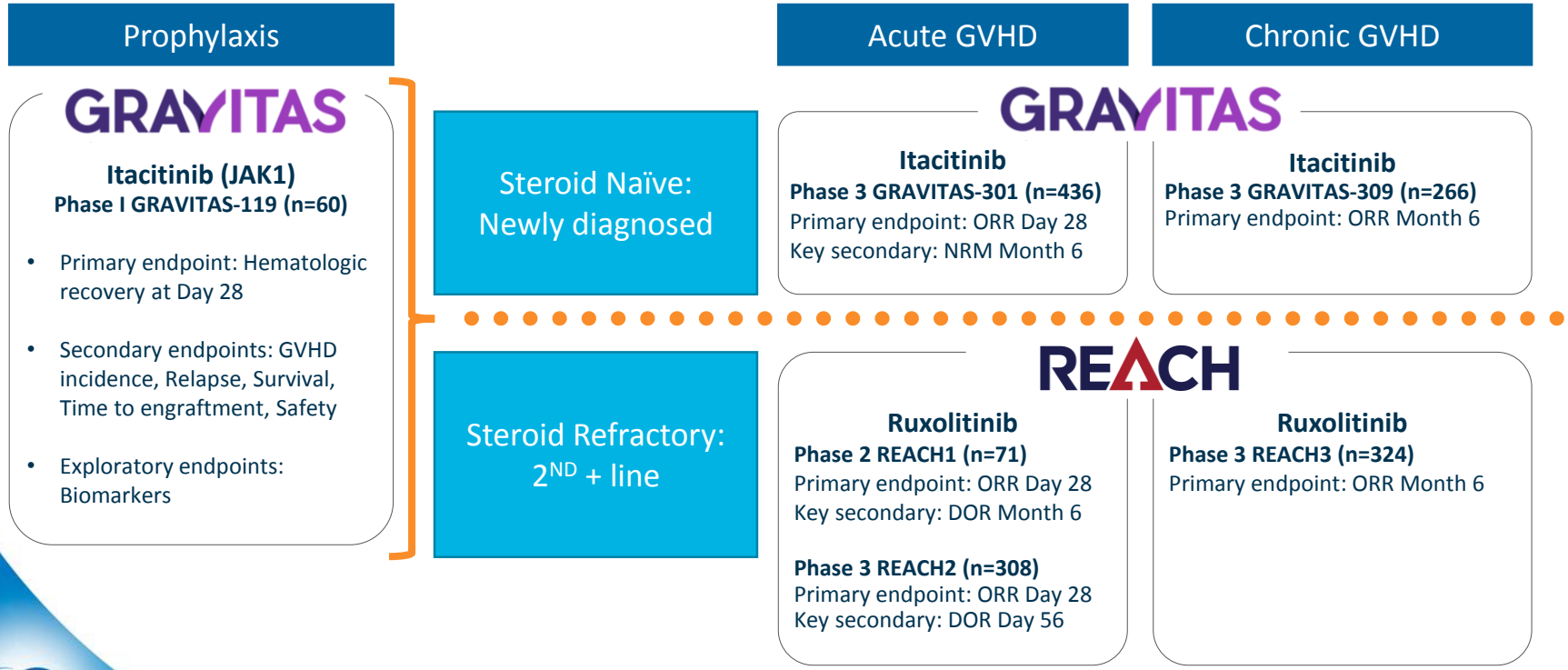
TSS = Total Symptom Score

Two Later-Stage Programs Evaluating INCB50465 (PI3Kδ) in Oncology

Combination with Jakafi®	Refractory myelofibrosis At study entry, patients needed to be treated with ruxolitinib for ≥ 6 months, and on a stable dose for ≥ 8 weeks n = 78	• **Primary endpoint**: Change in spleen volume at week 12 • Secondary endpoints include: Total symptom score, change in spleen volume at week 24, safety	COMFORT Additional data anticipated in H2 2018
Monotherapy	Relapsed / refractory FL n = 100	• **Primary endpoint**: Objective response rate • Secondary endpoints include: CR rate, duration of response, PFS, OS, safety	All three monotherapy trials are designed to enable registration in the US, if successful citadel Data anticipated in 2019
	Relapsed / refractory MZL previously treated with or without a BTK inhibitor n = 120	• **Primary endpoint**: Objective response rate • Secondary endpoints include: CR rate, duration of response, PFS, OS, safety	
	Relapsed / refractory MCL previously treated with or without a BTK inhibitor n = 120	• **Primary endpoint**: Objective response rate • Secondary endpoints include: CR rate, duration of response, PFS, OS, safety	

FL = follicular lymphoma
MZL = marginal zone lymphoma
MCL = mantle cell lymphoma

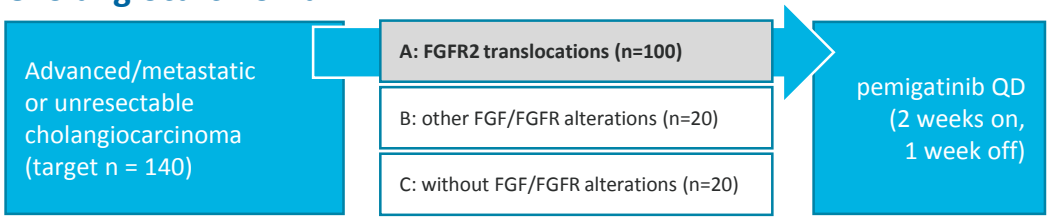
Incyte is Conducting a Comprehensive Development Program Addressing Graft-Versus-Host Disease



Development of ruxolitinib in GVHD in collaboration with Novartis.

Two Programs Assessing Tumor-Directed FGFR Inhibitor Therapy

Cholangiocarcinoma

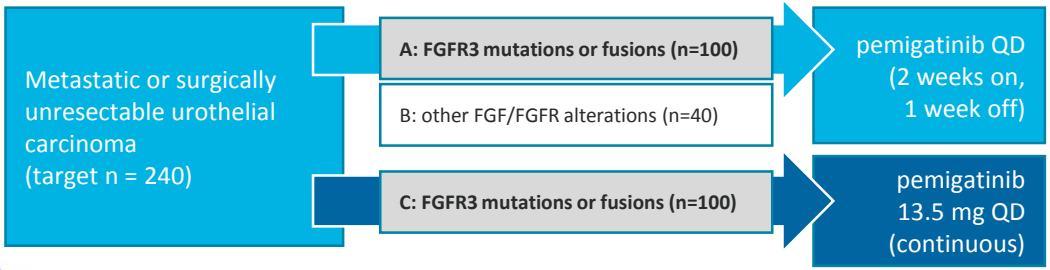


- **Primary endpoint**:
  ORR in patients with FGFR2 translocations
- **Secondary endpoints**:
  ORR in patients with other FGF/FGFR alterations
  Progression-free survival
  Safety and tolerability

NDA anticipated in 2019

fight
Fibroblast Growth Factor Receptor Inhibitor in Oncology and Hematology Trials

Bladder cancer



- **Primary endpoint**:
  ORR in patients with FGFR3 mutations
- **Secondary endpoints**:
  ORR in patients with FGF/FGFR alterations
  Progression-free survival and duration of response
  Safety and tolerability

Incyte

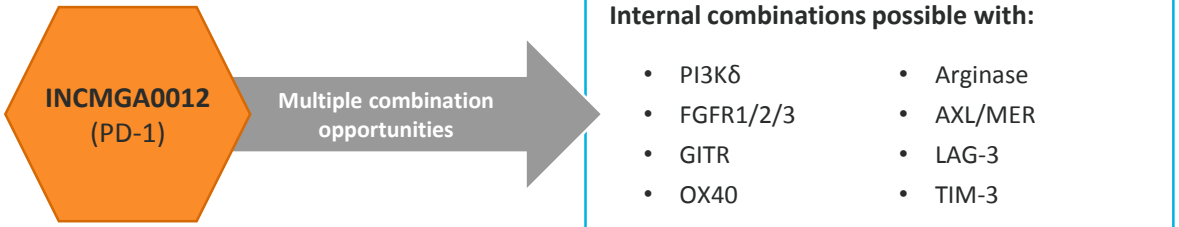
INCMGA0012 has Potential in both Monotherapy and Combination Therapy Settings

Monotherapy development in three indications

MSI-high endometrial cancer	Merkel cell carcinoma	Anal cancer
MSI-related disease is well-recognized; CDx may not be required **Data expected 2020**	Aggressive cancer with viral etiology; poor prognosis with current SoC **Data expected 2020**	Virus-associated cancer (HPV or HIV) implies high mutational burden **Data expected 2021**

PODIUM
PD1 Clinical Program in Multiple Malignancies

Multiple opportunities for combination development

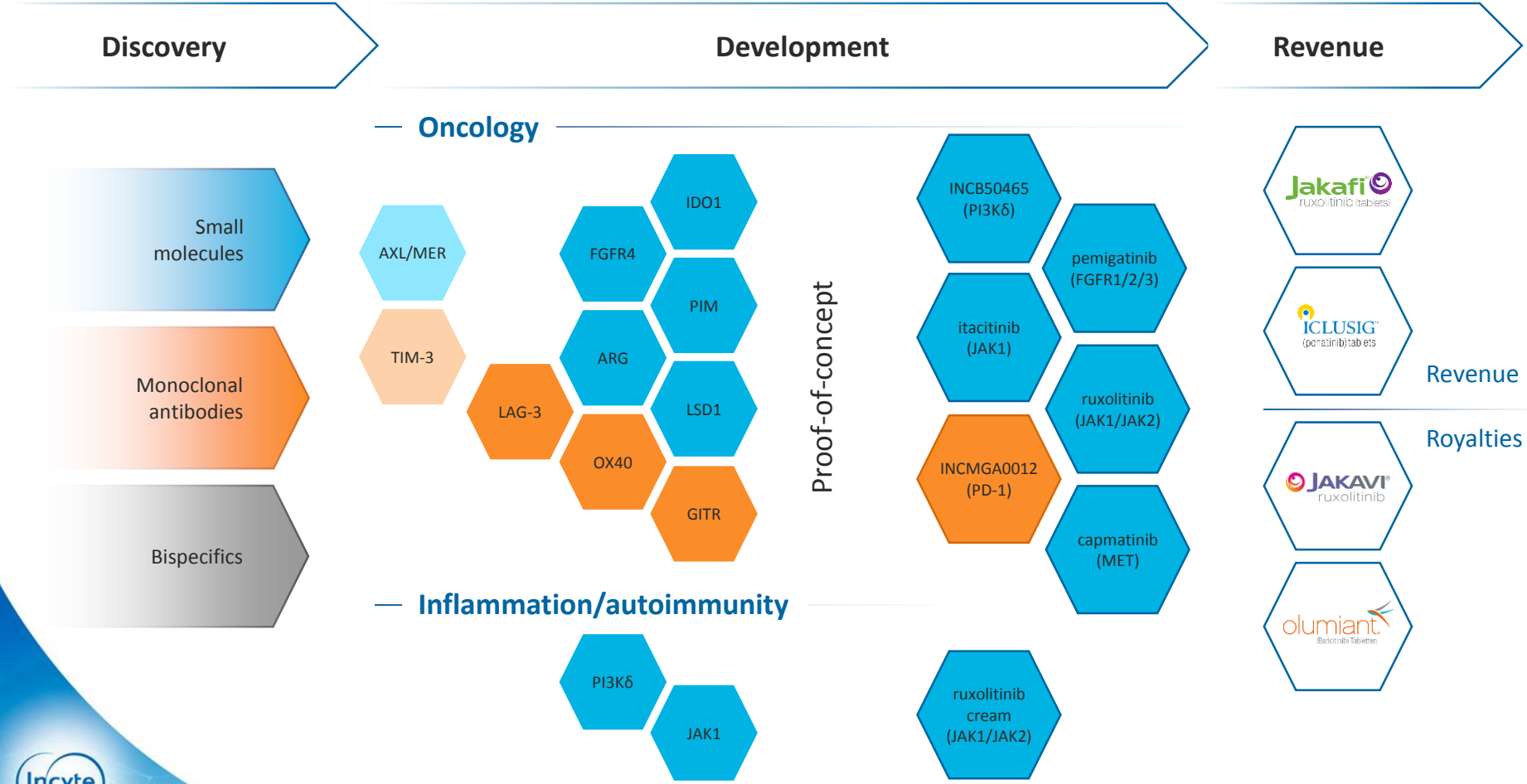


Establishing a Specialty-focused Business Beyond Oncology (IAI)

To capitalize on our discovery and immunology expertise

Ruxolitinib cream First-in-class, topical JAK/JAK2 inhibitor in dermatology	**Atopic dermatitis**	Pivotal trial being planned
	Vitiligo	Phase 2 underway
INCB54707 Oral JAK1 inhibitor; intent to explore indications of high unmet need that other JAK inhibitors have not yet entered	**Hidradenitis suppurativa**	Phase 2 expected to begin in H2 2018
INCB50465 Oral PI3Kδ inhibitor; B-cell mediated and pathogenic antibody-driven diseases	**Pemphigus vulgaris** **Autoimmune hemolytic anemia** **Sjögren's syndrome**	Programs expected to begin in 2018

IAI = Inflammation and Autoimmunity



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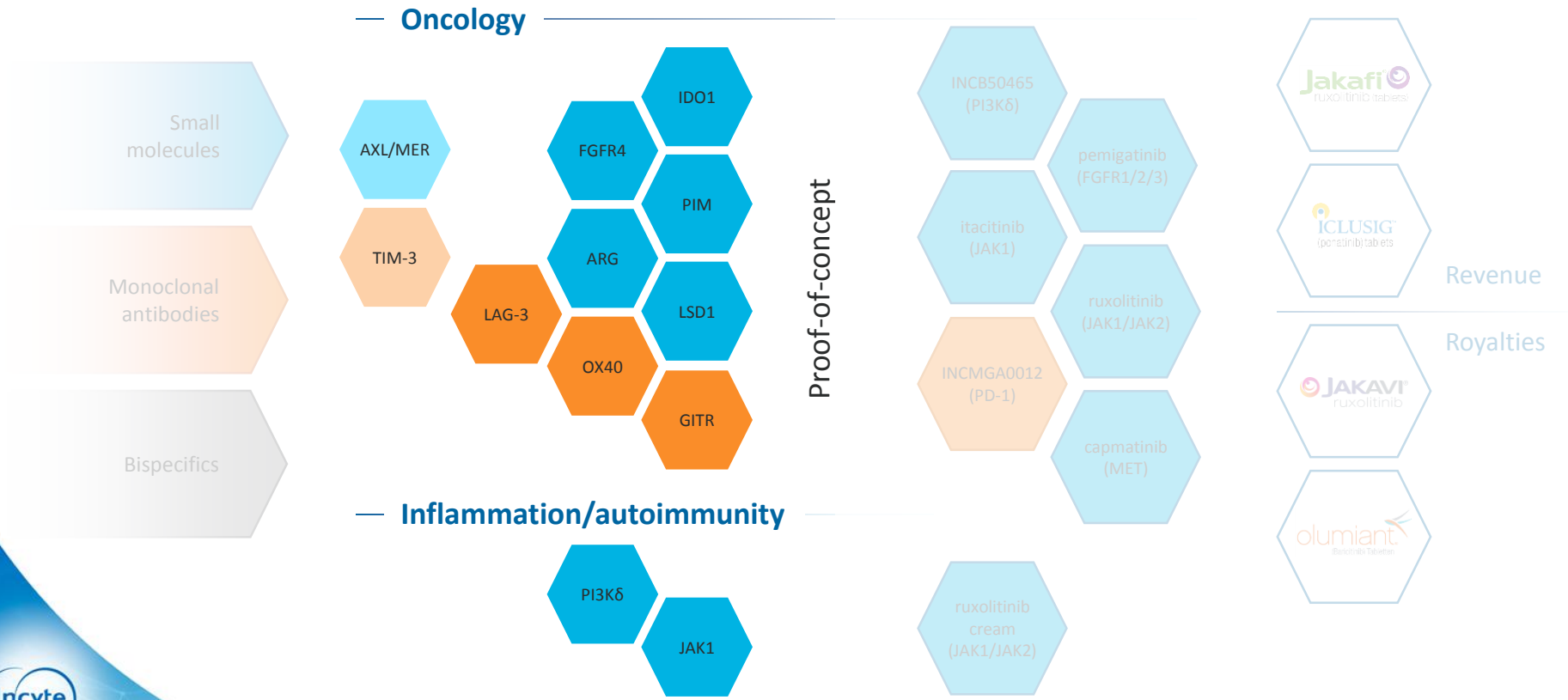
Capmatinib licensed to Novartis worldwide

Significant Optionality within the Earlier-Stage Portfolio

As planned, anti-LAG-3 antibody entered clinical trials in the second quarter



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Financial Results

David Gryska
Chief Financial Officer

Non-GAAP Adjustments

- The financial measures other than Non-GAAP net income presented in this presentation for the three and six months ended June 30, 2018 and 2017 have been prepared by the Company in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
- Management has chosen to present Non-GAAP net income for the three and six months ended June 30, 2018 and 2017 and to release both GAAP and Non-GAAP financial guidance for the year ending December 31, 2018 in belief that this Non-GAAP information is useful for investors, when considered in conjunction with Incyte's GAAP financial guidance.
- Management uses such information internally and externally for establishing budgets, operating goals and financial planning purposes. These metrics are also used to manage the Company's business and monitor performance. The Company adjusts, where appropriate, for both revenues and expenses in order to reflect the Company's core operations.
- The Company believes these adjustments are useful to investors by providing an enhanced understanding of the financial performance of the Company's core operations. The metrics have been adopted to align the Company with disclosures provided by industry peers.

2018 & 2017 Financial Performance

(unaudited, in thousands, except per share amounts)

	Three Months Ended June 30, 2018		Three Months Ended June 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenues:				
Product revenues, net	$365,524	$365,524	$291,667	$291,667
Product royalty revenues[1]	55,953	55,953	34,769	34,769
Milestone revenues	100,000	-	-	-
Other revenues	39	39	8	8
Total revenues	**521,516**	**421,516**	**326,444**	**326,444**
Costs and expenses:				
Cost of product revenues[2]	24,856	19,472	20,260	14,876
Research and development – ongoing[3]	278,089	253,294	201,786	178,908
Research and development – upfront consideration and milestone expenses	20,000	-	-	-
Selling, general and administrative[3]	108,029	96,218	90,066	79,200
Change in fair value of acquisition-related contingent consideration	7,303	-	7,073	-
Total costs and expenses	**438,277**	**368,984**	**319,185**	**272,984**
Income from operations	**83,239**	**52,532**	**7,259**	**53,460**
Other income (expense), net	5,808	5,808	4,066	4,066
Interest expense[4]	(398)	(98)	(384)	25
Unrealized loss on long term investments	(34,641)	-	(19,574)	-
Expense related to senior note conversions	-	-	(751)	-
Income (loss) before provision (benefit) for income taxes	54,008	58,242	(9,384)	57,551
Provision (benefit) for income taxes	1,614	1,390	3,100	551
Net income (loss)	**$52,394**	**$56,852**	**$(12,484)**	**$57,000**
Net income (loss) per share:				
Basic	$0.25	$0.27	$(0.06)	$0.28
Diluted	$0.24	$0.26	$(0.06)	$0.27

1. Product royalty revenues for the three months ended June 30, 2018 included $47,101 from sales of Jakavi® by Novartis and $8,852 from sales of Olumiant® by Lilly. Product royalty revenues for the three months ended June 30, 2017 included $33,824 from sales of Jakavi® by Novartis and $945 from sales of Olumiant® by Lilly.
2. Non-GAAP excludes amortization of acquired product rights
3. Non-GAAP excludes non-cash stock compensation from equity awards
4. Non-GAAP excludes non-cash interest expenses related to convertible notes

2018 & 2017 Financial Performance

(unaudited, in thousands, except per share amounts)

	Six Months Ended June 30, 2018		Six Months Ended June 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenues:				
Product revenues, net	$700,029	$700,029	$556,474	$556,474
Product royalty revenues[1]	103,669	103,669	63,990	63,990
Milestone revenues	100,000	-	90,000	-
Other revenues	100	100	62	62
Total revenues	**903,798**	**803,798**	**710,526**	**620,526**
Costs and expenses:				
Cost of product revenues[2]	42,962	32,194	35,084	24,316
Research and development – ongoing[3]	568,748	519,731	400,597	356,250
Research and development – upfront consideration and milestone expenses	32,444	-	209,109	-
Selling, general and administrative[3]	229,527	205,714	177,295	157,285
Change in fair value of acquisition-related contingent consideration	13,988	-	14,429	-
Total costs and expenses	**887,669**	**757,639**	**836,514**	**537,851**
Income (loss) from operations	**16,129**	**46,159**	**(125,988)**	**82,675**
Other income (expense), net	10,270	10,270	5,213	5,213
Interest expense[4]	(783)	(186)	(6,323)	(845)
Unrealized loss on long term investments	(11,962)	-	(25,388)	-
Expense related to senior note conversions	-	-	(54,881)	-
Income (loss) before provision (benefit) for income taxes	13,654	56,243	(207,367)	87,043
Provision (benefit) for income taxes	2,400	2,000	(7,800)	919
Net income (loss)	**$11,254**	**$54,243**	**$(199,567)**	**$86,124**
Net income (loss) per share:				
Basic	$0.05	$0.26	$(1.00)	$0.43
Diluted	$0.05	$0.25	$(1.00)	$0.42

1. Product royalty revenues for the six months ended June 30, 2018 included $88,438 from sales of Jakavi® by Novartis and $15,231 from sales of Olumiant® by Lilly. Product royalty revenues for the six months ended June 30, 2017 included $62,665 from sales of Jakavi® by Novartis and $1,325 from sales of Olumiant® by Lilly.
2. Non-GAAP excludes amortization of acquired product rights
3. Non-GAAP excludes non-cash stock compensation from equity awards
4. Non-GAAP excludes non-cash interest expenses related to convertible notes

2018 and 2017 Non-GAAP Reconciliation ($ thousands)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
GAAP Net Income (Loss)	**$52,394**	**$(12,484)**	**$11,254**	**$(199,567)**
Adjustments:				
Milestone revenues from new or existing partners	(100,000)	-	(100,000)	(90,000)
Upfront consideration and milestone expenses related to new or existing partners	20,000	-	32,444	209,109
Non-cash stock compensation from equity awards	36,606	33,744	72,830	64,357
Change in fair value of contingent consideration	7,303	7,073	13,988	14,429
Amortization of acquired product rights	5,384	5,384	10,768	10,768
Changes in fair value of equity investments	34,641	19,574	11,962	25,388
Non-cash interest expenses related to convertible notes	300	409	597	5,478
Expense related to senior note conversions	-	751	-	54,881
Tax effect of Non-GAAP adjustments	224	2,549	400	(8,719)
Non-GAAP Net Income	**$56,852**	**$57,000**	**$54,243**	**$86,124**

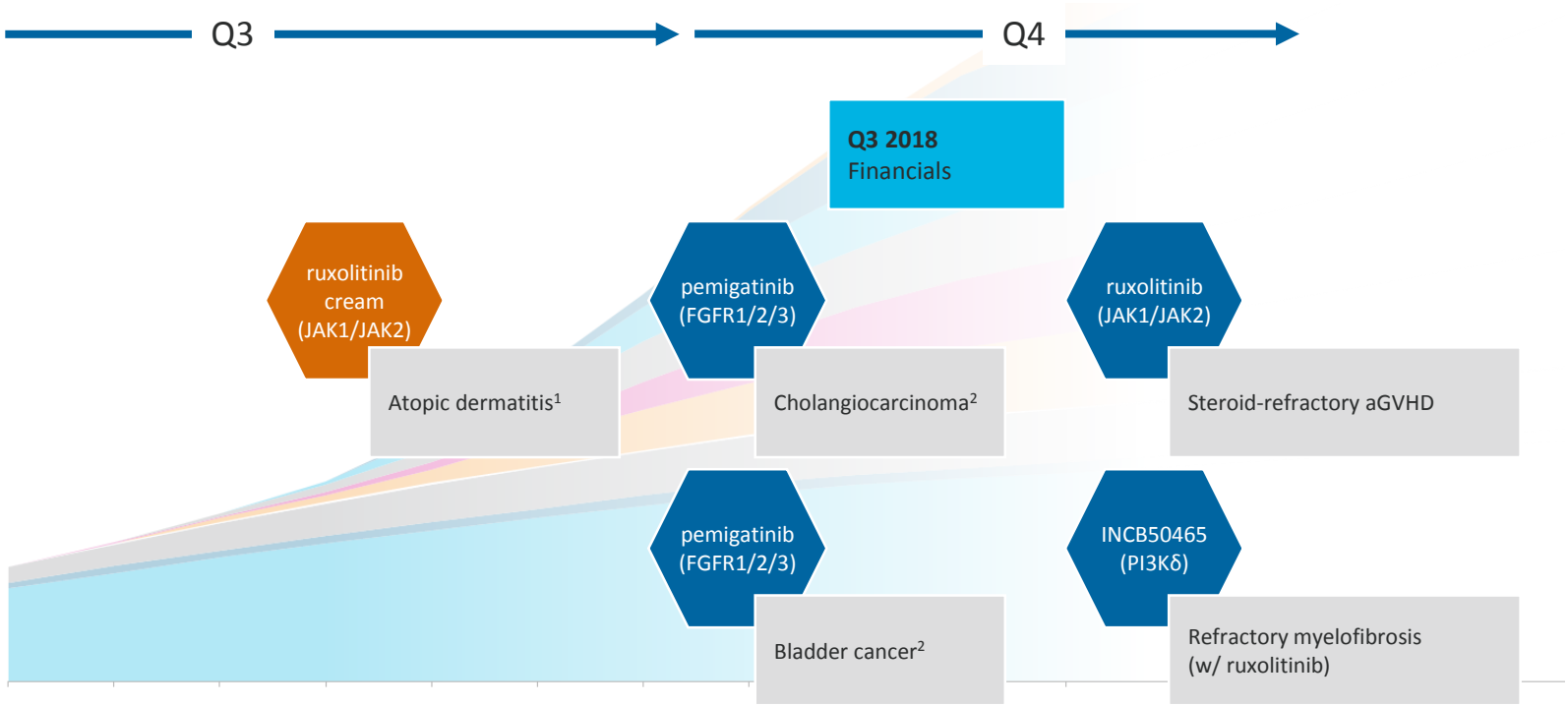
2018 Financial Guidance Updates

		Current guidance	Previous guidance
Revenue	**GAAP and Non-GAAP Jakafi® net product revenues**	**$1,350 - $1,400 million**	**No change**
	GAAP and Non-GAAP Iclusig® net product revenues	**$80 - $85 million**	**No change**
Cost of Product Revenues	**GAAP Cost of product revenues**	**$85 - $95 million**	**No change**
	Non-GAAP Adjustment: Amortization of acquired product rights for Iclusig	$21 million	No change
	Non-GAAP Cost of product revenues	**$64 - $74 million**	**No change**
Research & Development Expenses	**GAAP Research and development expenses**	**$1,150 - $1,250 million**	**No change**
	Non-GAAP Adjustment: Stock-based compensation	$110 - $115 million	No change
	Non-GAAP Adjustment: Upfront consideration and milestones related to collaborations	$32 million	$27 million
	Non-GAAP Research and development expenses	**$1,008 - $1,103 million**	**$1,013 - $1,108 million**
Selling, General & Administrative Expenses	**GAAP Selling, general and administrative expenses**	**$390 - $410 million**	**No change**
	Non-GAAP Adjustment: Stock-based compensation	$50 - $55 million	No change
	Non-GAAP Selling, general and administrative expenses	**$340 - $355 million**	**No change**
Contingent Consideration	**GAAP Change in fair value of acquisition-related contingent consideration**	**$30 million**	**No change**
	Non-GAAP Adjustment: Change in fair value of estimated future royalties relating to sales of Iclusig® in licensed territory	$30 million	No change
	Non-GAAP Change in fair value of acquisition-related contingent consideration	**$0 million**	**No change**

Expected Newsflow

Hervé Hoppenot
Chief Executive Officer

Five Important Data Sets Expected Before the End of 2018

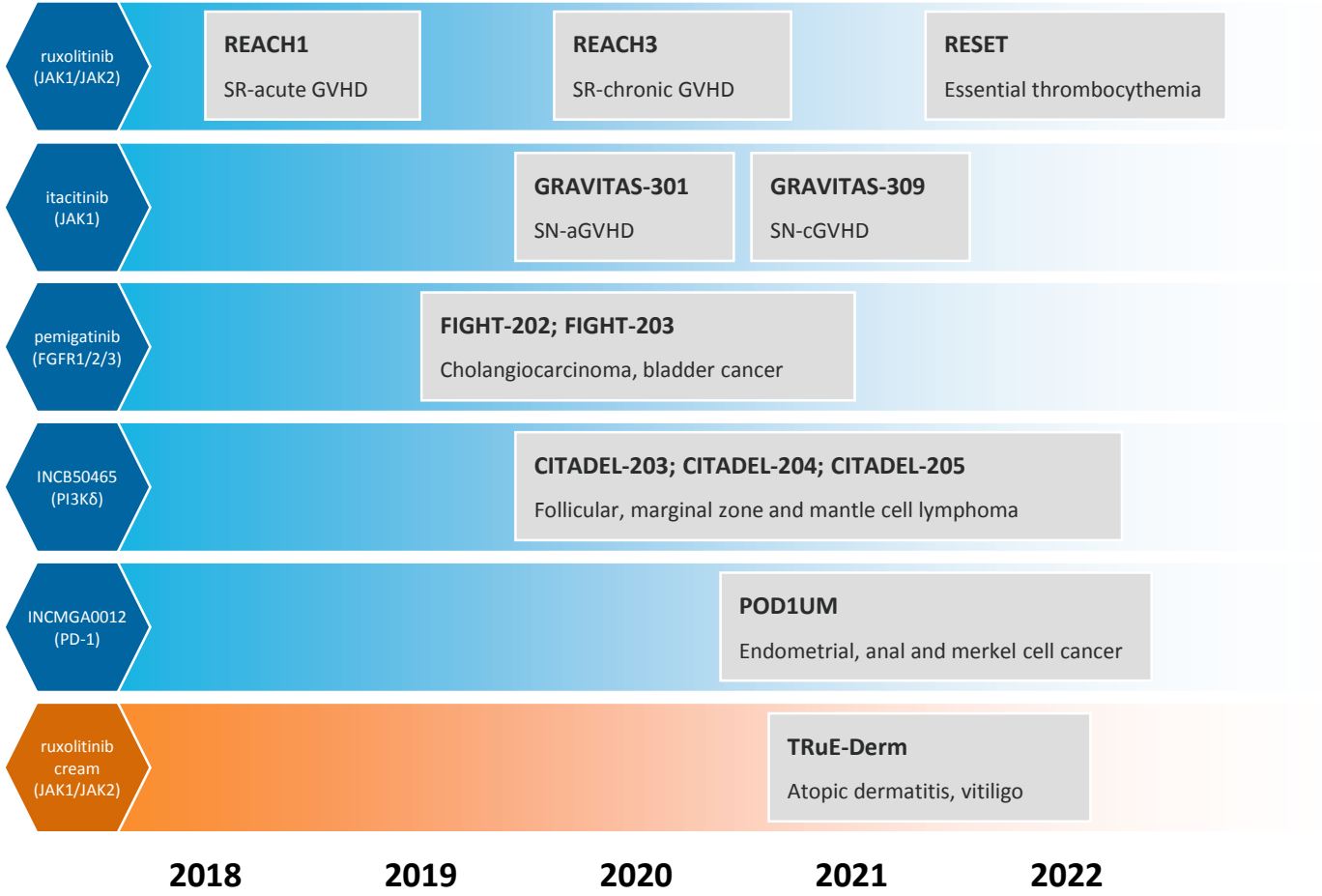


1. EADV = European Academy of Dermatology and Venereology, September 12-16 2018 Paris, France
2. ESMO = European Society for Medical Oncology, October 19-23 2018 Munich, Germany

Potential for multiple launches in the near-term

6 product candidates

15 potential indications



Timing indicates estimate of initial submission seeking marketing approval for indication(s)

Q&A