Changing the Practice of Cancer Treatment

2018 First-Quarter Financial and Corporate Update

May 1, 2018

Forward-looking Statements

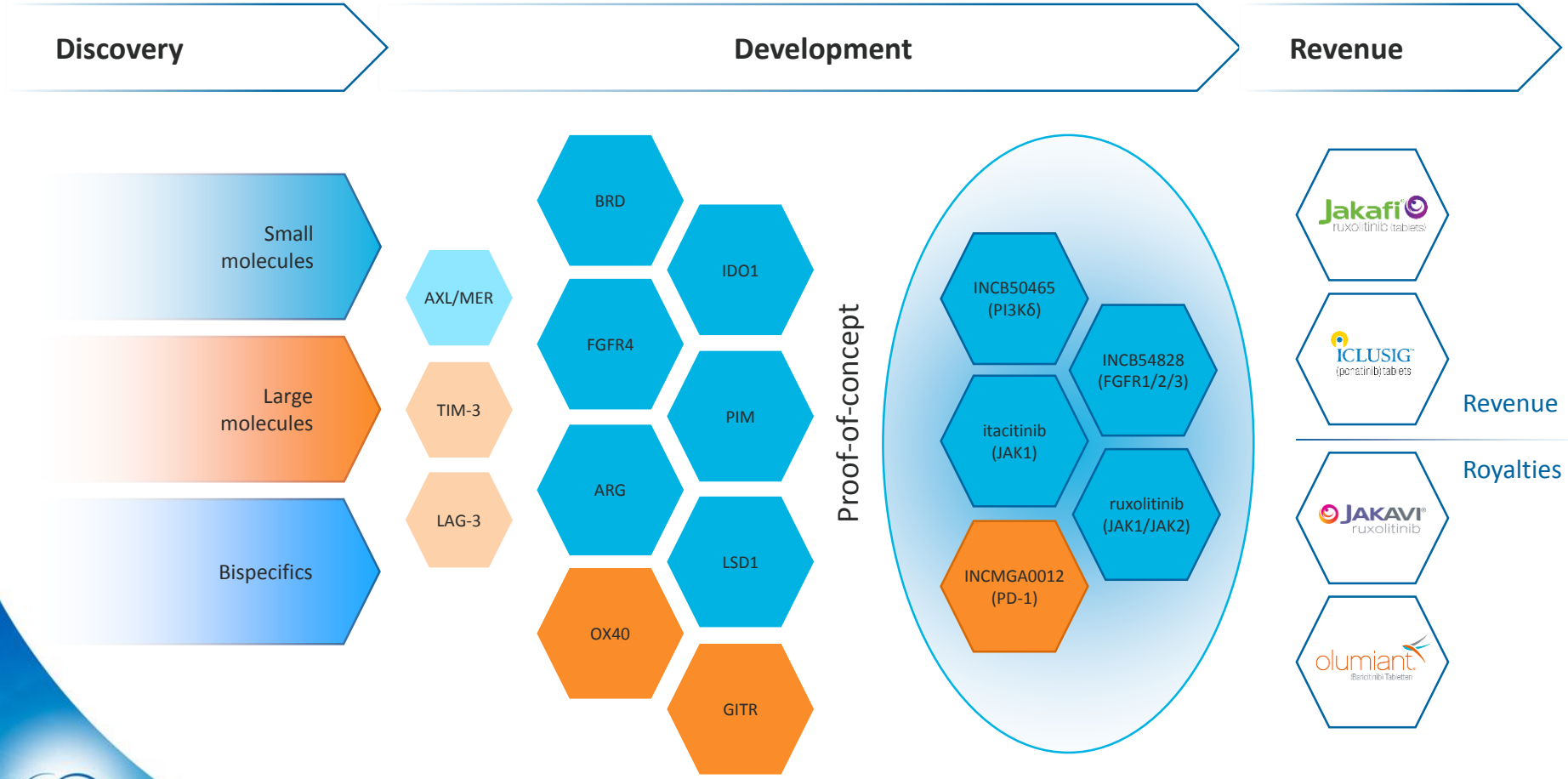
Except for the historical information set forth herein, the matters set forth in this presentation contain predictions, estimates and other forward-looking statements, including without limitation statements regarding: our ability to capitalize on potential opportunities for additional growth, to grow 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; Incyte's reiterated financial guidance for 2018 for ruxolitinib product revenues; the expectation of significant additional growth in Jakafi usage; expectations regarding future development of epacadostat, including plans for clinical trials and other hypotheses for combinations with other drugs; expected reductions in R&D spending; plans to share ECHO-301 data at ASCO; whether and when the FDA will approve baricitinib for the treatment of rheumatoid arthritis and in what dose, if any; whether royalties from Olumiant will become a significant source of revenue; plans for development and clinical trials of ruxolitinib and itacitinib in GVHD, including expectations regarding the pivotal nature of ongoing trials; plans regarding development and clinical trials of INCB50465, INCMGA0012 and INCB54828; our expected year-end level of cash and marketable securities and the Company's 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-K for the year ended December 31, 2017. Incyte disclaims any intent or obligation to update these forward-looking statements.

Quarterly Review

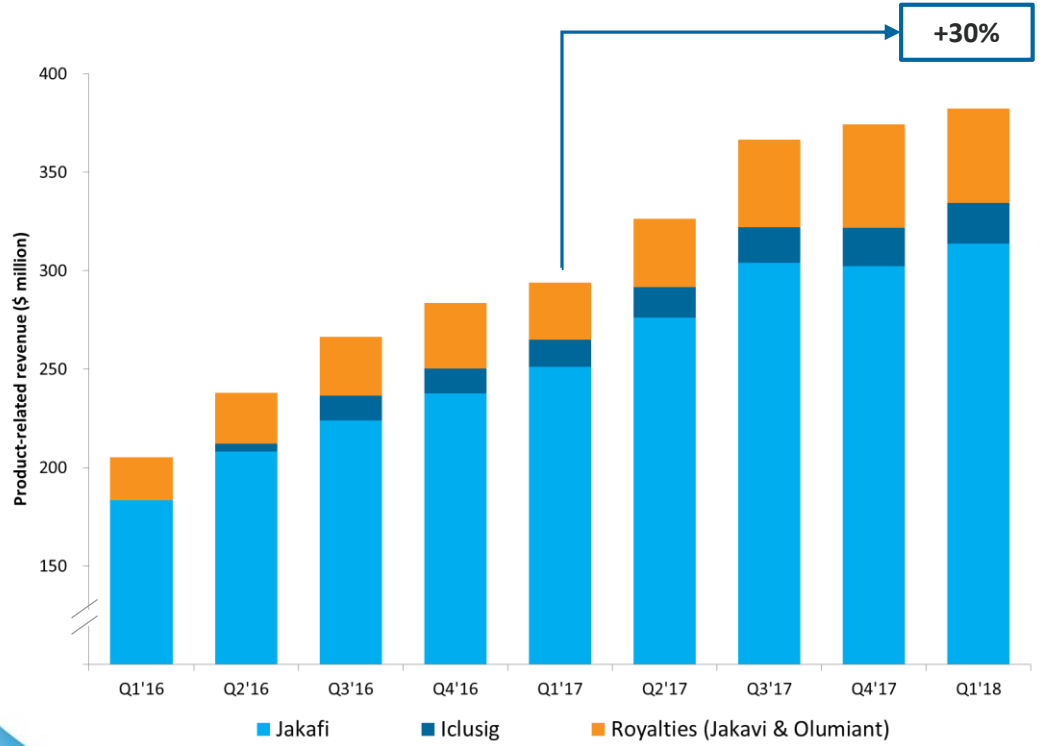
Hervé Hoppenot

Chief Executive Officer



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

Multiple Opportunities to Drive Future Revenue Growth



Ruxolitinib (JAK1/JAK2)
- Steroid-refractory acute GVHD
- Steroid-refractory chronic GVHD
- Essential thrombocythemia

Itacitinib (JAK1)
- Steroid-naive acute GVHD

INCB54828 (FGFR1/2/3)
- Cholangiocarcinoma
- Bladder cancer

INCB50465 (PI3kδ)
- Non-Hodgkin lymphoma

INCMGA0012 (PD-1)
- Solid tumors

Figure represents product-related revenues; product-related revenues exclude milestone and contract revenues

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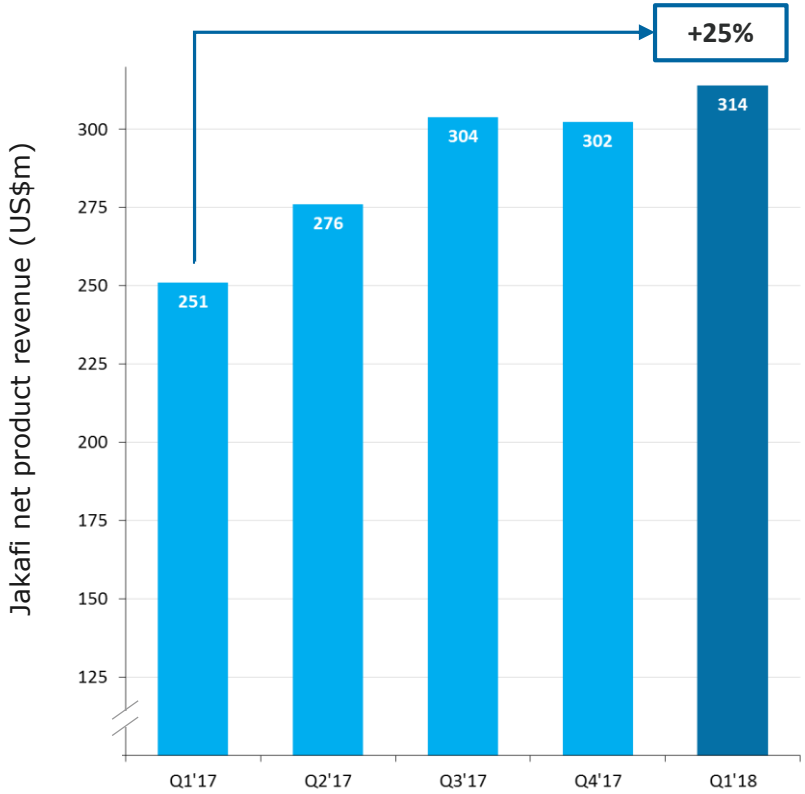
Jakafi® Performance

Barry Flannelly
General Manager, U.S.

Jakafi® Revenue Increased 25% over Q1 2017

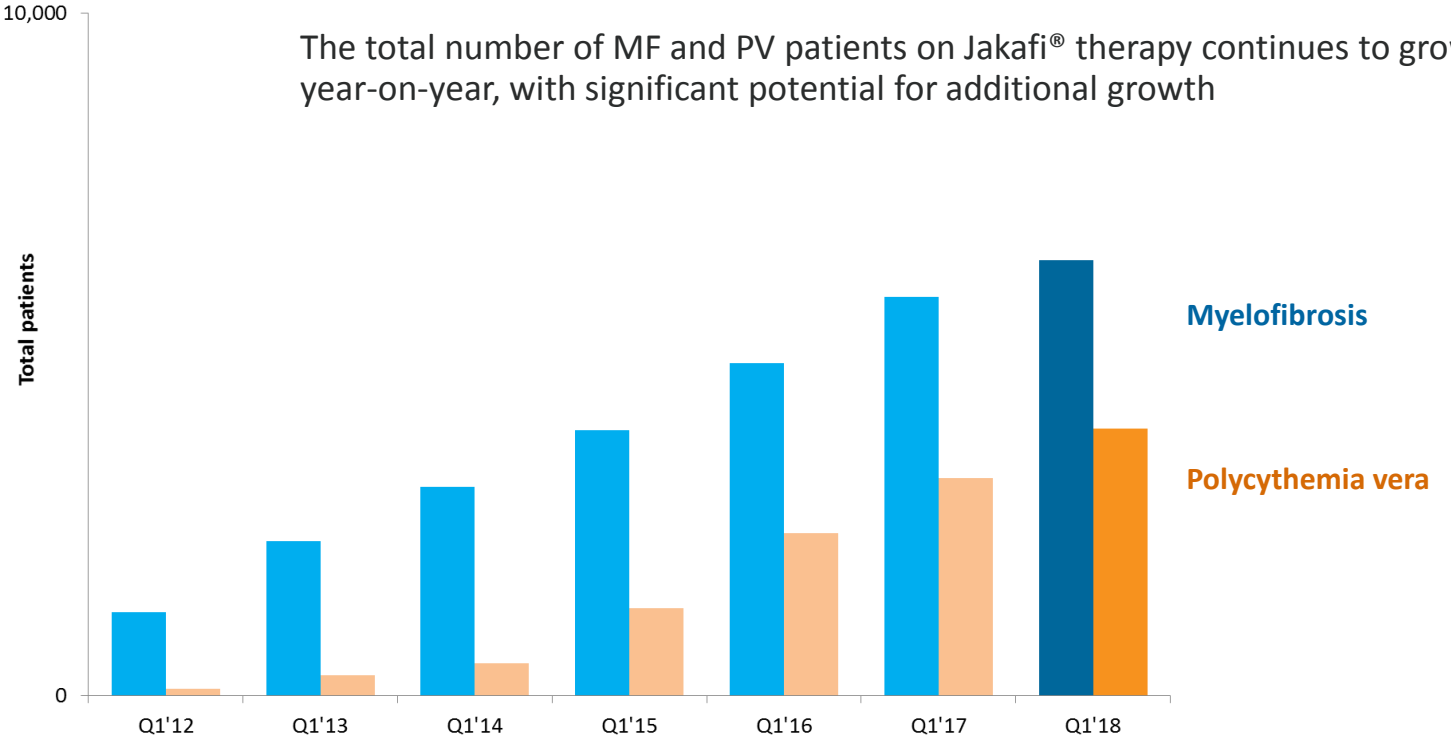
- **Significant revenue growth**
  - 25% year-on-year increase
- **Robust prescription demand**
  - 17% YoY growth in total patients
  - No significant inventory change
- **Reiterate FY 2018 guidance**
  - Range of $1.35-1.40 billion



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.

Jakafi® Usage Continues to Grow in Both Approved Indications

The total number of MF and PV patients on Jakafi® therapy continues to grow year-on-year, with significant potential for additional growth



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.

Clinical Development

Steven Stein
Chief Medical Officer

Updated Epacadostat Development Program after ECHO-301 Result

PD-1/L1 combinations

- **Merck** collaboration (pembrolizumab): Trials in kidney, bladder and head & neck cancer to be stopped; two lung cancer trials to be converted to randomized phase 2 studies
- **BMS** collaboration (nivolumab): Pivotal trials in lung and head & neck cancer to be stopped
- **AZ** collaboration (durvalumab): Pivotal trial in lung cancer will not be initiated

ECHO
Epacadostat Clinical Development in Hematology and Oncology

Other hypotheses

- **Immune antagonists**: Triplet with nivolumab and ipilimumab (CTLA-4)
- **Vaccines**: Combination trial with DPX-Survivac (survivin antigen)
- **Chemotherapy**: Multi-arm platform study

- **Intra-tumoral adjuvants**: Collaboration discussions (TLR9 agonists) ongoing
- **Cell therapies**: Collaboration discussions (CAR-T therapies) ongoing

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Multiple Pivotal Trials Evaluating the Potential of JAK Inhibition in GVHD

Steroid-refractory GVHD

REACH

ruxolitinib (JAK1/JAK2)

REACH1

Acute GVHD (actual n=71)

- Single arm
- Primary Endpoint: ORR day 28
- Results expected Q2 2018

REACH2

Acute GVHD (target n=308)

- Randomized vs BAT
- Primary Endpoint: ORR day 28

REACH3

Chronic GVHD (target n=324)

- Randomized vs BAT
- Primary Endpoint: ORR month 6

Steroid-naïve GVHD

GRAVITAS

itacitinib (JAK1)

GRAVITAS-301

Acute GVHD (target n=436)

- Randomized vs placebo, + steroids
- Primary Endpoint: ORR Day 28
- Global trial

Epidemiology estimates

Steroid-refractory GVHD:

~3,500 new cases of acute GVHD and ~3,500 new cases of chronic GVHD each year in the U.S.; ~50% of patients are adequately treated by steroids

Steroid-naïve GVHD:

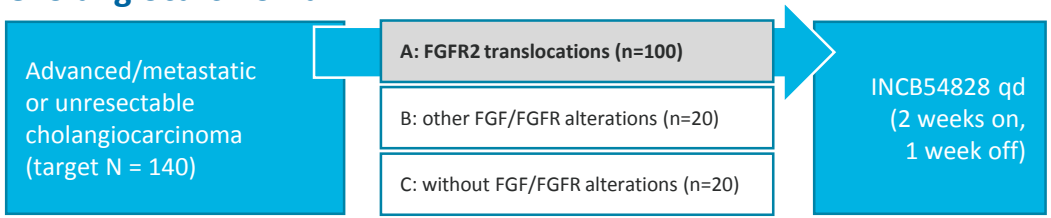
~11,000 new cases of acute GVHD each year in the U.S., Europe and Japan combined

US data from Kantar Health and Incyte analyses; U.S., Europe and Japan data based on CIBMTR, EBMT, JDCHCT survey reports

Development of ruxolitinib in GVHD in collaboration with Novartis.

Two Programs Assessing Tumor-Directed FGFR Inhibitor Therapy

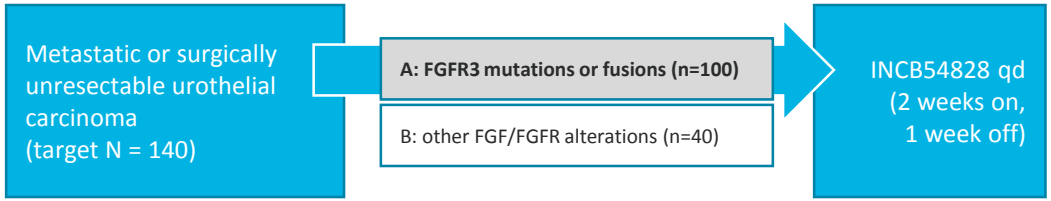
Cholangiocarcinoma



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

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

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Financial Results

David Gryska
Chief Financial Officer

Non-GAAP Adjustments

- The financial measures other than Non-GAAP net income (loss) presented in this presentation for the three months ended March 31, 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 (loss) for the three months ended March 31, 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.

Q1 2018 & 2017 Financial Performance

(unaudited, in thousands, except per share amounts)

	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenues:				
Product revenues, net	$334,505	$334,505	$264,807	$264,807
Product royalty revenues	47,716	47,716	29,221	29,221
Milestone revenues	-	-	90,000	-
Other revenues	61	61	54	54
Total revenues	**382,282**	**382,282**	**384,082**	**294,082**
Costs and expenses:				
Cost of product revenues[1]	18,106	12,722	14,824	9,440
Research and development – ongoing[2]	290,659	266,437	198,811	177,342
Research and development – upfront consideration and milestone expenses	12,444	-	209,109	-
Selling, general and administrative[2]	121,498	109,496	87,229	78,085
Change in fair value of acquisition-related contingent consideration	6,685	-	7,356	-
Total costs and expenses	**449,392**	**388,655**	**517,329**	**264,867**
Income (loss) from operations	**(67,110)**	**(6,373)**	**(133,247)**	**29,215**
Other income (expense), net	4,462	4,462	1,147	1,147
Interest expense[3]	(385)	(88)	(5,939)	(870)
Unrealized gain (loss) on long term investments	22,679	-	(5,814)	-
Expense related to senior note conversions	-	-	(54,130)	-
Income (loss) before provision (benefit) for income taxes	(40,354)	(1,999)	(197,983)	29,492
Provision (benefit) for income taxes	786	610	(10,900)	368
Net income (loss)	**$(41,140)**	**$(2,609)**	**$(187,083)**	**$29,124**
Net income (loss) per share:				
Basic	$(0.19)	$(0.01)	$(0.96)	$0.15
Diluted	$(0.19)	$(0.01)	$(0.96)	$0.14

1. Non-GAAP excludes amortization of acquired product rights
2. Non-GAAP excludes non-cash stock compensation from equity awards
3. Non-GAAP excludes non-cash interest expenses related to convertible notes

Q1 2018 and 2017 Non-GAAP Reconciliation ($ thousands)

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
GAAP Net Loss	**$(41,140)**	**$(187,083)**
Adjustments:		
Milestone revenues from new or existing partners	-	(90,000)
Upfront consideration and milestone expenses related to new or existing partners	12,444	209,109
Non-cash stock compensation from equity awards	36,224	30,613
Change in fair value of contingent consideration	6,685	7,356
Amortization of acquired product rights	5,384	5,384
Changes in fair value of equity investments	(22,679)	5,814
Non-cash interest expenses related to convertible notes	297	5,069
Expense related to senior note conversions	-	54,130
Tax effect of Non-GAAP adjustments	176	(11,268)
Non-GAAP Net Income (Loss)	**$(2,609)**	**$29,124**

FY 2018 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**	**$1,200 - $1,300 million**
	Non-GAAP Adjustment: Stock-based compensation	$110 - $115 million	No change
	Non-GAAP Adjustment: Upfront consideration related to collaborations	$27 million	$13 million
	Non-GAAP Research and development expenses	**$1,013 - $1,108 million**	**$1,077 - $1,172 million**

FY 2018 Guidance Updates

		Current guidance	Previous guidance
Selling, General & Administrative Expenses	**GAAP Selling, general and administrative expenses**	**$390 - $410 million**	**$515 - $535 million**
	Non-GAAP Adjustment: Stock-based compensation	$50 - $55 million	No change
	Non-GAAP Selling, general and administrative expenses	**$340 - $355 million**	**$465 - $480 million**
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**

Q&A