Building Value through Innovative Medicines

2019 First Quarter Financial and Corporate Update

April 30, 2019

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: expectations regarding ruxolitinib, ruxolitinib cream, itacitinib, pemigatinib, parsaclisib and INCMGA0012 trial results and timing of the receipt and presentation of those results; the expected timing of the NDA submissions for pemigatinib and capmatinib; our belief that certain of our projects, such as the acceleration of vitiligo development and opportunities with pemigatinib and itacitinib, warrant increased near-term funding; expectations regarding planned regulatory updates, planned pivotal clinical updates and planned clinical trial initiations; expectations by our collaborative partners regarding timing of NDA submission for capmatinib and announcement of baricitinib trial results; our plans and expectations for development of, and clinical trials involving, our other product candidates, including the potential timing for regulatory submissions; our plans for immediate launch of ruxolitinib for steroid-refractory acute GVHD should the FDA approve our sNDA; our updated 2019 GAAP and non-GAAP guidance; our expectations regarding baricitinib royalties; and our expected 2019 newsflow events.

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; our dependence on relationships with and changes in the plans and expenditures of our collaboration partners; the efficacy or safety of our products and the products of our collaboration partners; the acceptance of our products and the products of our collaboration partners in the marketplace; market competition; sales, marketing, manufacturing and distribution requirements; unanticipated variations in demand for products; greater than expected expenses; expenses relating to litigation or strategic activities; and other risks detailed from time to time in our reports filed with the U.S. Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2018. We disclaim any intent or obligation to update these forward-looking statements.

Overview

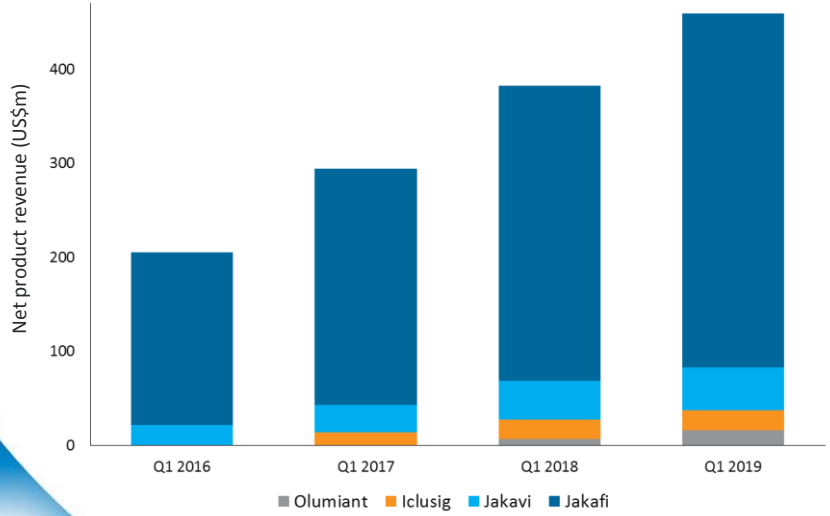
Hervé Hoppenot

Chief Executive Officer

Significant Progress Across All Programs

Q1 2019 financial highlights

- $498 million total revenue (+30% vs Q1 2018)
- $376 million Jakafi® revenue (+20% vs Q1 2018)



Highlights from late-stage development

- **Itacitinib** (JAK1):
  Phase 3 treatment-naïve acute GVHD fully recruited; results expected H2 2019
- **Pemigatinib** (FGFR):
  NDA for iCCA and updated data expected in H2 2019
- **Ruxolitinib cream** (JAK1/JAK2):
  Primary endpoint achieved in Phase 2 vitiligo; data expected to be presented in H1 2019 and Phase 3 plans in preparation
- **Capmatinib** (MET):
  Updated data accepted for presentation at ASCO and NDA for NSCLC expected in H2 2019, by Novartis[1]

Highlights from discovery and early-stage development

- Preclinical data from oral PD-L1 inhibitor program and PD-L1xCD137 bispecific antibody highlighted at AACR

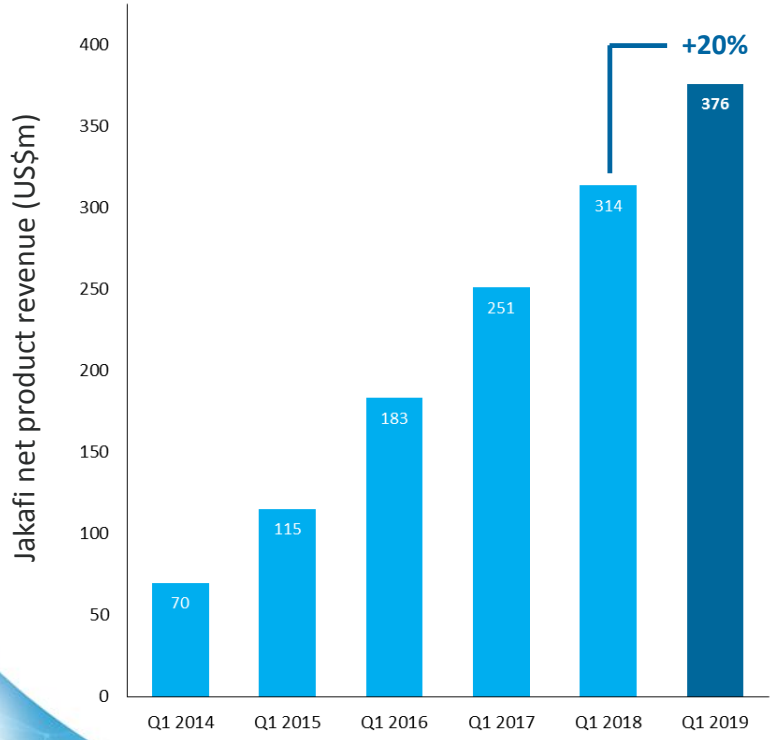
iCCA = Intrahepatic cholangiocarcinoma
1. Worldwide rights to capmatinib licensed to Novartis; capmatinib in development for the treatment of patients with non-small cell lung cancer harboring MET exon 14 skipping mutations

U.S. Commercial Update

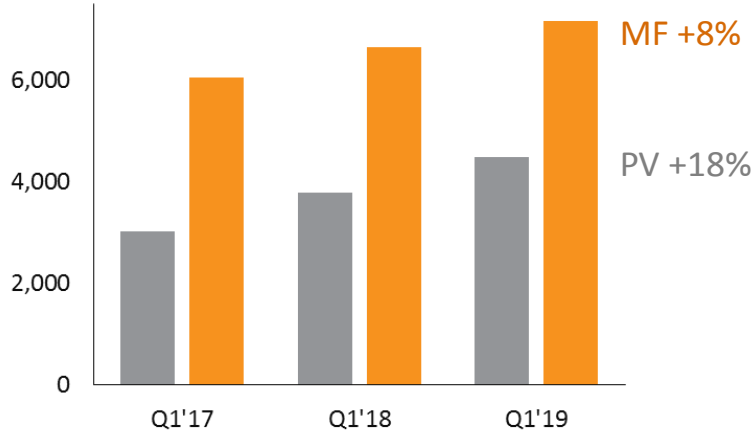
Barry Flannelly

General Manager, U.S.

Jakafi® Continues to Demonstrate Strong Growth



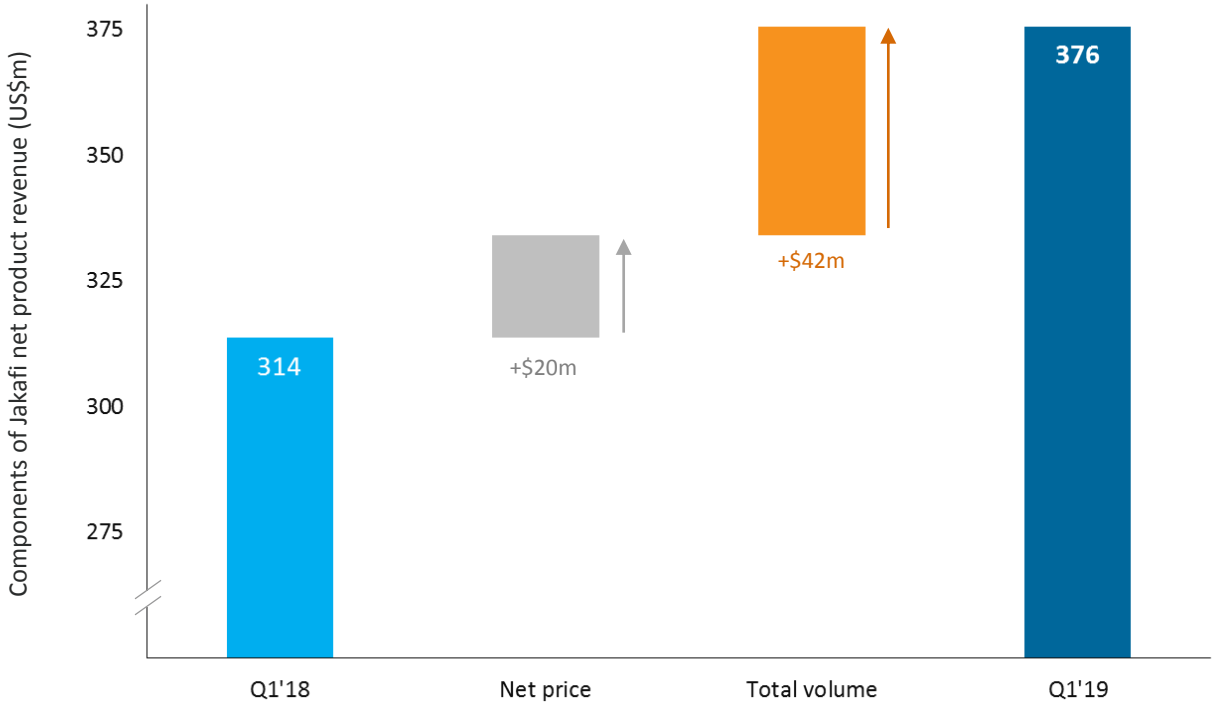
- Strong growth in both MF and PV patients[1]



- Increased gross-to-net percentage in Q1 2019 from additional contributions to coverage gap
- Performance in-line with full year net product revenue guidance of $1.58-1.65 billion

1. Growth in myelofibrosis (MF) and polycythemia vera (PV) patients measured from Q1'18 to Q1'19 as total patients on therapy at the end of the quarter

Majority of Jakafi® Revenue Growth from Patient Demand



Ruxolitinib is Under FDA review for Steroid-refractory Acute GVHD

ruxolitinib (JAK1/JAK2)

REACH1

Steroid-refractory acute GVHD
N=71

FDA action date May 24

REACH2

Steroid-refractory acute GVHD
Ruxolitinib vs BAT, N=308

REACH3

Steroid-refractory chronic GVHD
Ruxolitinib vs BAT, N=324

Trial results expected 2019

- ✓ Ready for launch immediately upon approval
- ✓ The US field force optimally sized and structured to support GVHD opportunity
- ✓ Pre-launch meetings with payers being executed to obtain coverage

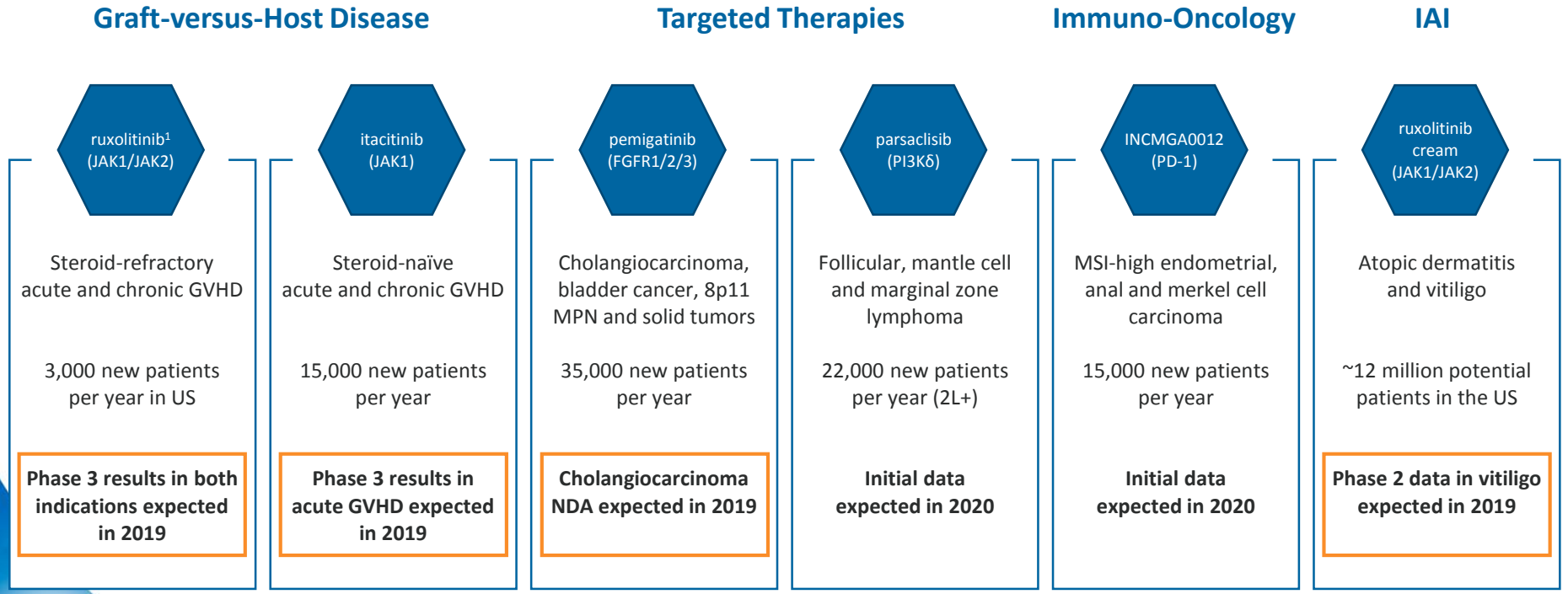
Top 50 transplant centers by volume
conduct over 70% of allogeneic stem cell transplants

Development of ruxolitinib in GVHD in collaboration with Novartis

Clinical Development

Steven Stein
Chief Medical Officer

Multiple Late-Stage Programs Targeting Diversification and Growth



1. Development of ruxolitinib in GVHD in collaboration with Novartis.
All epidemiology data for US, Europe and Japan except where noted for US only; all incidence data for unresectable or metastatic disease, except prevalence data for ruxolitinib cream.
References upon request.

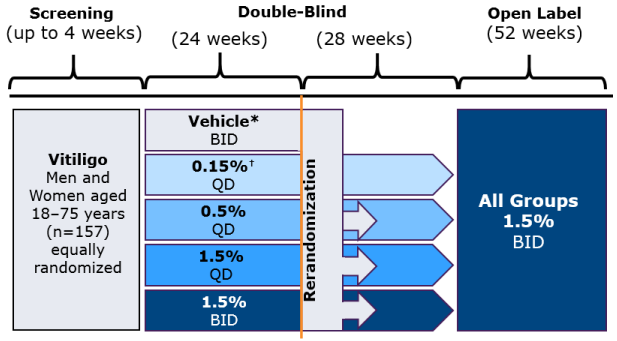
Significant Progress for Ruxolitinib Cream in Vitiligo

Intent to open Phase 3 in H2 2019

ruxolitinib cream (JAK1/JAK2)

- ✓ Successful Phase 2 trial
- ✓ Phase 3 program planned for H2 2019

Phase 2 vitiligo trial design

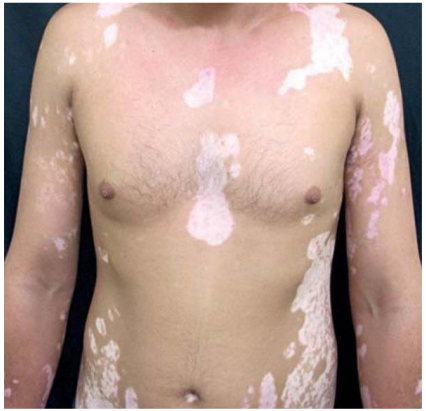


* Rerandomization to 0.5% QD, 1.5% QD, or 1.5% BID at Week 24 for vehicle group.
† Rerandomization to 0.5% QD, 1.5% QD, or 1.5% BID if <25% improvement in F-VASI at Week 24.

Primary endpoint: F-VASI50 at Week 24

Vitiligo

An inflammatory autoimmune disease of the skin which causes patches of depigmentation

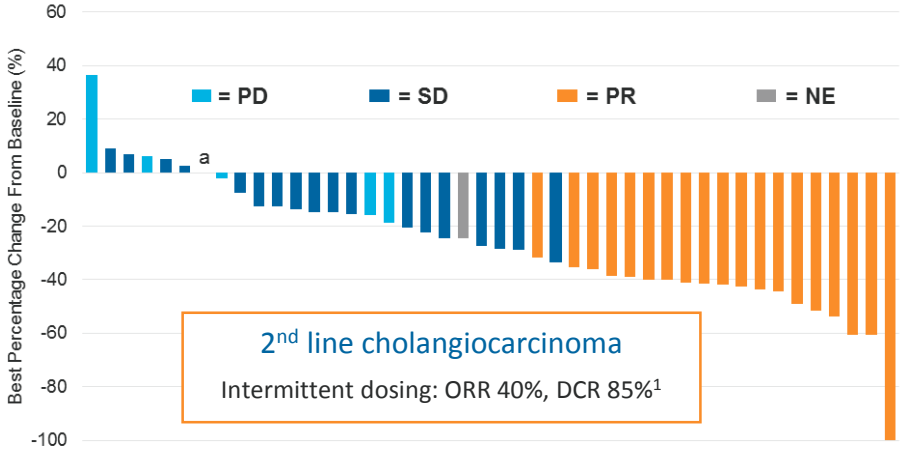


- 2-3 million patients in the U.S.
- No approved therapies

Pemigatinib has Potential Across Multiple Tumor Types

pemigatinib (FGFR1/2/3)

- ✓ Cholangiocarcinoma NDA expected in H2 2019
- ✓ Bladder, 8p11 MPN and tumor agnostic programs progressing as planned



N = 44: excludes 3 patients (n = 1 NE, patient died before the first assessment; n = 2 SD, no target lesions)
[a] Patient had a response of SD, and a best percentage change from baseline of 0.0%.

Key development indications[2]

Cholangiocarcinoma:
2,000-3,000 patients (FGFR2)
Breakthrough Therapy designation
NDA expected in H2 2019

Bladder cancer:
15,000-20,000 patients (FGFR3)
sNDA expected in 2020

8p11 MPN:
Ultra-rare indication
~100 patients (FGFR1)

Tumor agnostic:
15,000-20,000 patients (FGFR1/2/3)
Trial expected to begin in 2019

1. Hollebecque et al, ESMO 2018
2. Patient incidence = estimated number of patients with unresectable / metastatic disease with specific FGFR alteration(s) in US, Europe and Japan

Itacitinib Represents a Significant Revenue Opportunity
Approximately 15,000 new treatment-naïve GVHD patients annually

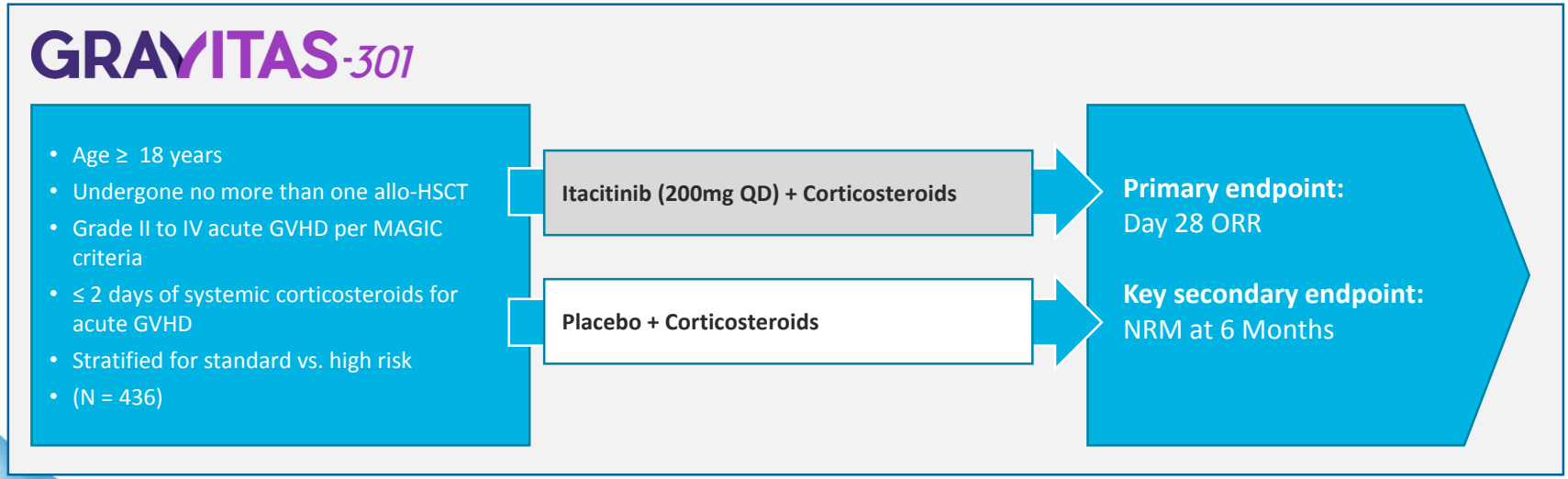
itacitinib (JAK1)

- ✓ Recruitment completed in GRAVITAS-301
- ✓ Results expected in H2 2019
- ✓ Global opportunity for Incyte

GVHD epidemiology (US, Europe, Japan)

Incidence:
12,000 acute GVHD
3,000 de novo chronic GVHD

Prevalence:
25,000 patients

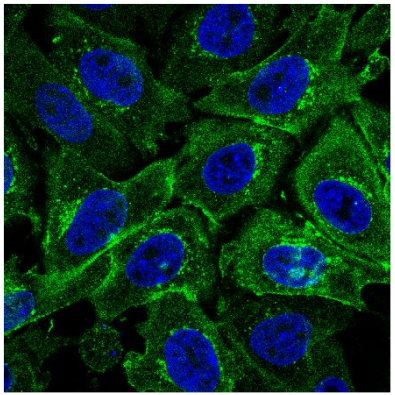


Two Exciting Discovery Programs Highlighted at AACR Meeting

Oral PD-L1 inhibitor program[1,2]

A series of novel, orally active small-molecule PD-L1 inhibitors

Clinical program for INCB86550 already underway



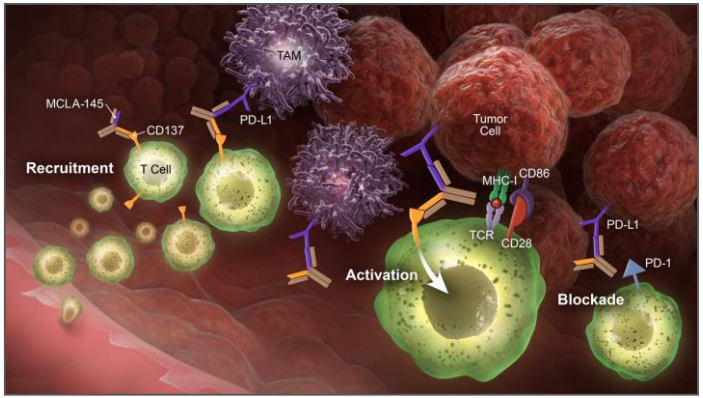
Binds and internalizes surface PD-L1 in vivo in a dose-dependent manner; internalization starts within 1 hour and increases over time

Anti-PD-L1 (Green)
Nuclei (Blue)

PD-L1xCD137 bispecific antibody program[3,4]

MCLA-145 engages human CD137 and PD-L1 and blocks ligand binding to both receptors

Clinical program for MCLA-145 expected to begin in Q2 2019



Directing CD137 agonist activity to the PD-L1 positive tumor microenvironment may limit systemic CD137 agonist activation while targeting two important immunomodulatory pathways

1. Liu et al, AACR 2019 2. Wang et al, AACR 2019 3. Geuijen et al, AACR 2019 4. Mayes et al, AACR 2019; MCLA-145 development in collaboration with Merus

Financial Results

Christiana Stamoulis

Chief Financial Officer

Non-GAAP Adjustments

- The financial measures other than Non-GAAP operating income / (loss) presented in this presentation for the three months ended March 31, 2019 and 2018 have been prepared by the Company in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").
- Management has chosen to present Non-GAAP operating income / (loss) for the three months ended March 31, 2019 and 2018 and to release both GAAP and Non-GAAP financial guidance for the year ending December 31, 2019 in the 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 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.
- Beginning in the first quarter of 2019, after reviewing our Reconciliation of GAAP Net Income (Loss) to Selected Non-GAAP Adjusted Information with the U.S. Securities & Exchange Commission, we no longer adjust for upfront consideration and milestones that are part of collaboration agreements with new or existing partners.

Changes to Non-GAAP Adjustments

Previously:

Upfront consideration and milestones that are part of agreements with new and existing partners were previously excluded from Incyte's Non-GAAP measures.

Beginning in the Q1 2019:

Upfront consideration and milestones that are part of agreements with new and existing partners are no longer excluded from Incyte's Non-GAAP measures.

Changes to Olumiant® (baricitinib) Royalty Modeling

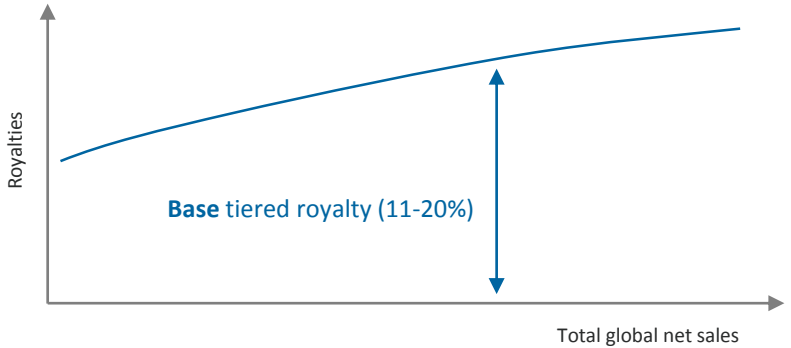
Overview:

Incyte is entitled to receive a base tiered royalty rate range of 11-20% on global net sales of Olumiant by Lilly, and an incremental royalty based on the proportion of post-PoC development co-funding, per indication.

Through Q4 2018:
Incyte was co-funding 30% of post-PoC development per indication, to receive a 9% incremental royalty.

From Q1 2019:
Incyte has elected to end co-funding of baricitinib development, and expects to receive a pro-rated incremental royalty going forward, in addition to the base tiered royalty.

Pro-rata calculation will be calculated based on Incyte's contribution to date relative to Lilly's total post-PoC development spend per indication.



Financial Highlights: First Quarter 2019

$ millions	Q1 2019 GAAP	Q1 2018 GAAP	Q1 2019 Non-GAAP[1]	Q1 2018 Non-GAAP[1]	*YoY Change Non-GAAP*
Net product revenues	**396**	**335**	**396**	**335**	***18%***
Jakafi	376	314	376	314	*20%*
Iclusig	21	21	21	21	*(1%)*
Royalties	**62**	**48**	**62**	**48**	***29%***
Jakavi	46	41	46	41	*10%*
Olumiant	16	6	16	6	*151%*
Total product-related revenues	**458**	**382**	**458**	**382**	***20%***
Milestones and contract revenues	40	-	40	-	
Total revenues	**498**	**382**	**498**	**382**	***30%***
Costs and expenses	**424**	**449**	**371**	**401**	***(7%)***
COGS	23	18	17	13	*34%*
R&D – ongoing	271	291	243	267	*(9%)*
% total revenues	*54%*	*76%*	*49%*	*70%*	
R&D – upfront and milestones	-	12	-	12	-
SG&A	124	121	111	109	*1%*
% total revenues	*25%*	*32%*	*22%*	*29%*	
Change in fair value of contingent consideration	7	7	-	-	-
Operating income / (loss)	**74**	**(67)**	**127**	**(19)**	**-**
% total revenues	*15%*	-	*25%*	-	

Totals may not add due to rounding

1. Non-GAAP costs and expenses exclude stock-based compensation and other expenses; a reconciliation from GAAP to Non-GAAP financial measures is provided on slide 25

Updated Financial Guidance: Full Year 2019

$ millions	FY 2019 GAAP		FY 2019 Non-GAAP[1]	
	Updated	Previous	Updated	Previous
Net product revenues				
Jakafi	1,580-1,650	No change	1,580-1,650	No change
Iclusig	90-100	No change	90-100	No change
Costs and expenses				
COGS	112-117	No change	90-95	No change
R&D	1,145-1,195	1,185-1,255	1,020-1,070	1,060 - 1,130[2]
SG&A	471-521	No change	420-470	No change
Change in fair value of contingent consideration	30	No change	-	No change

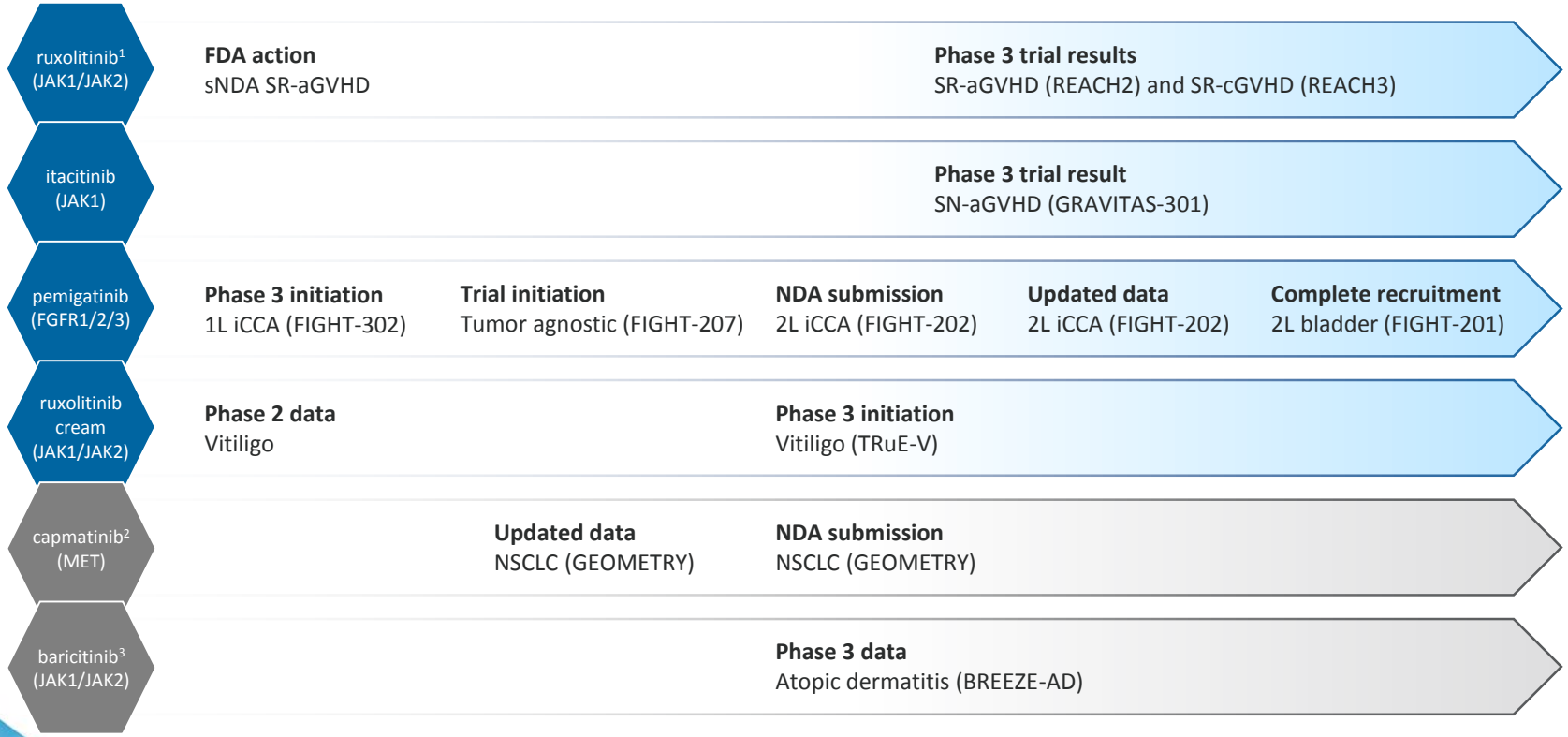
1. Non-GAAP costs and expenses exclude stock-based compensation and other expenses; a reconciliation from GAAP to Non-GAAP financial measures is provided on slide 26
2. Previously, Non-GAAP R&D guidance excluded $30 million upfront consideration and milestones

The Year Ahead

Hervé Hoppenot

Chief Executive Officer

Important Newsflow Expected Throughout 2019



1. Development of ruxolitinib in GVHD in collaboration with Novartis; 2. Worldwide rights to capmatinib licensed to Novartis; 3. Worldwide rights to baricitinib licensed to Lilly

Building Value through Innovative Medicines

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Financial Backup Slides

2019 and 2018 Non-GAAP Reconciliation

$ millions	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
GAAP operating income / (loss)	**74**	**(67)**
Adjustments		
Non-cash stock compensation from equity awards	41	36
Amortization of acquired product rights	5	5
Change in fair value of contingent consideration	7	7
Non-GAAP operating income / (loss)	**127**	**(19)**

Totals may not add due to rounding
A full reconciliation of GAAP to Non-GAAP results is set forth in our first quarter 2019 financial results press release issued on April 30, 2019

2019 Financial Guidance Non-GAAP Reconciliation

$ millions	GAAP Guidance	Adjustments	Non-GAAP Guidance
Net product revenues			
Jakafi	1,580-1,650	-	1,580-1,650
Iclusig	90-100	-	90-100
Costs and expenses			
COGS	112-117	Amortization of acquired product rights for Iclusig (22)	90-95
R&D	1,145-1,195	Stock-based compensation (125)	1,020-1,070
SG&A	471-521	Stock-based compensation (51)	420-470
Change in fair value of contingent consideration	30	Change in fair value of estimated future Iclusig royalties (30)	-