Building Value through Innovative Medicines

2019 Third Quarter Financial and Corporate Update

October 29, 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 the timing of clinical trial results for REACH3; our updated 2019 Jakafi net product revenue guidance; expectations regarding the timing of the receipt or presentation of clinical trial results for ruxolitinib in GVHD, itacitinib in GVHD, and ruxolitinib cream in vitiligo; expectations regarding the sharing of REACH2 clinical trial data with the FDA; expectations regarding the completion of clinical trial enrollment for pemigatinib in bladder cancer; expectations by our collaborative partner regarding timing of NDA submission for capmatinib and the potential for capmatinib to contribute to our financial performance; the potential of our product candidates to treat a significant number of patients across numerous indications; our revised 2019 GAAP and non-GAAP financial guidance; 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 our products; greater than expected expenses, including 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 quarterly report on Form 10-Q for the quarter ended June 30, 2019. We disclaim any intent or obligation to update these forward-looking statements.

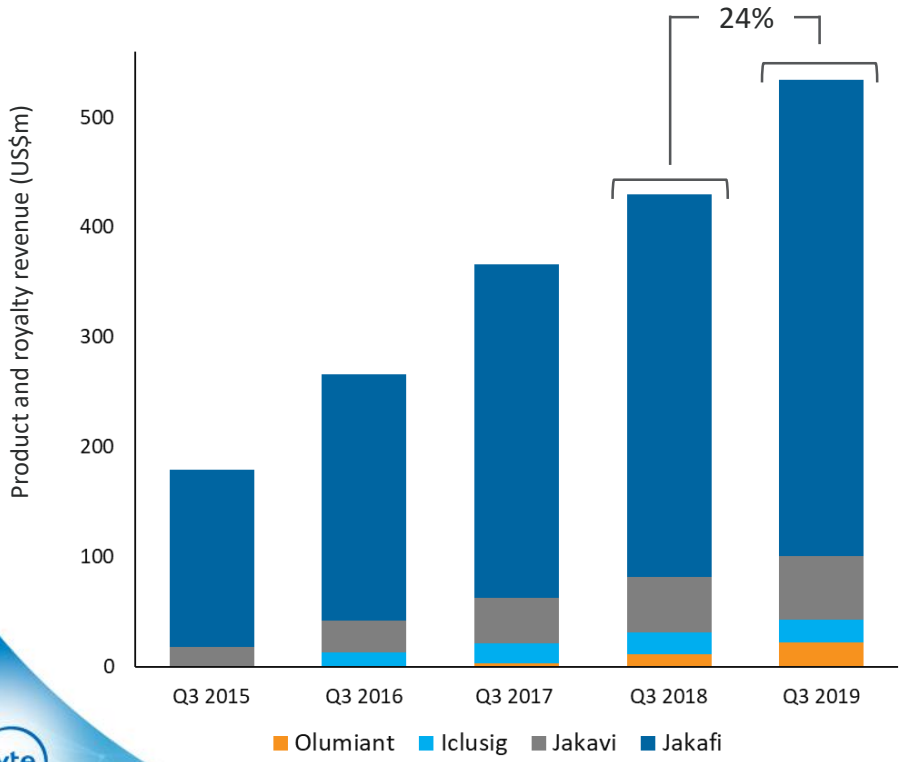
Third Quarter Review

Hervé Hoppenot

Chief Executive Officer

Four Sources of Revenue Driving Significant Top-Line Growth

Total product & royalty revenues +24%



Jakafi® ruxolitinib (tablets) +25%, **$433 million**

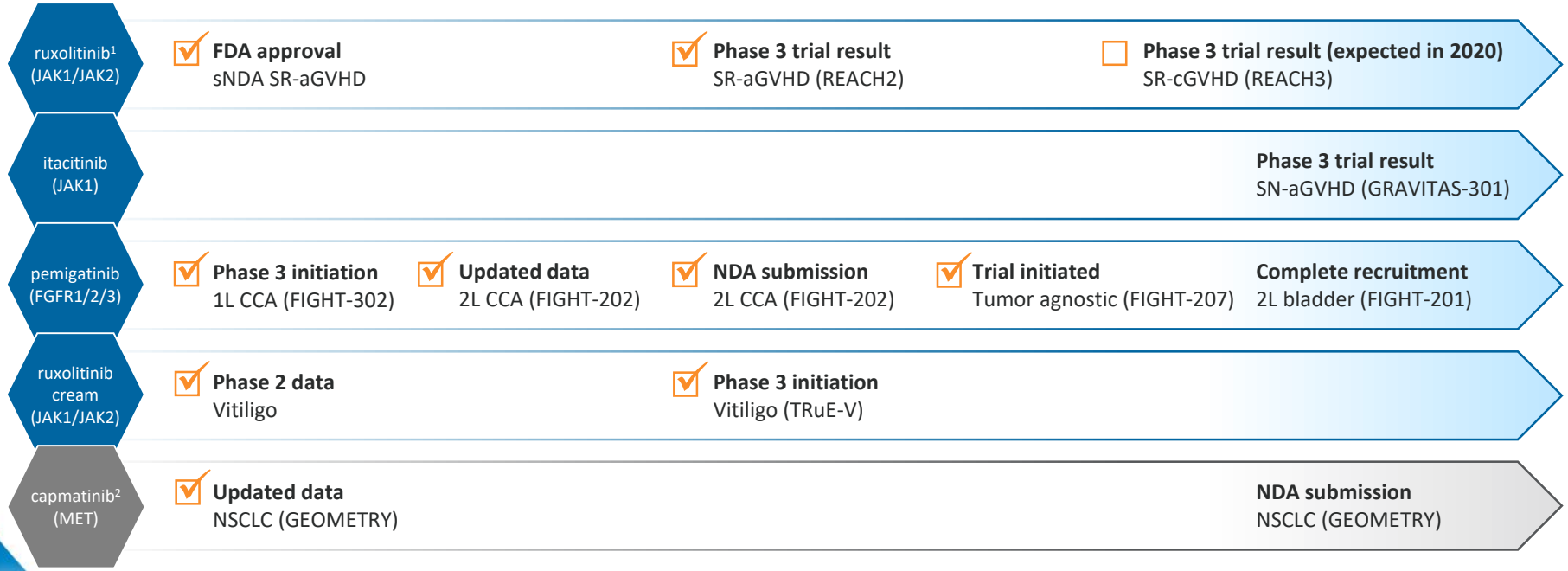
JAKAVI® ruxolitinib +15%, **$58 million**

ICLUSIG™ (ponatinib) tablets +2%, **$21 million**

olumiant® (baricitinib) tablets +97%, **$22 million**

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

A Year of Strong Execution in Late-Stage Clinical Development



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

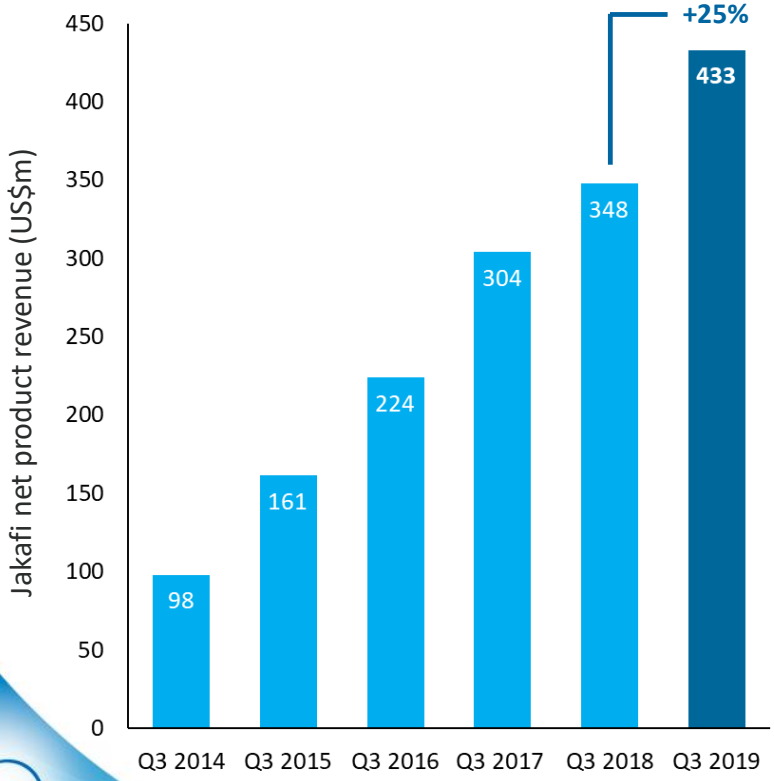
U.S. Commercial Update

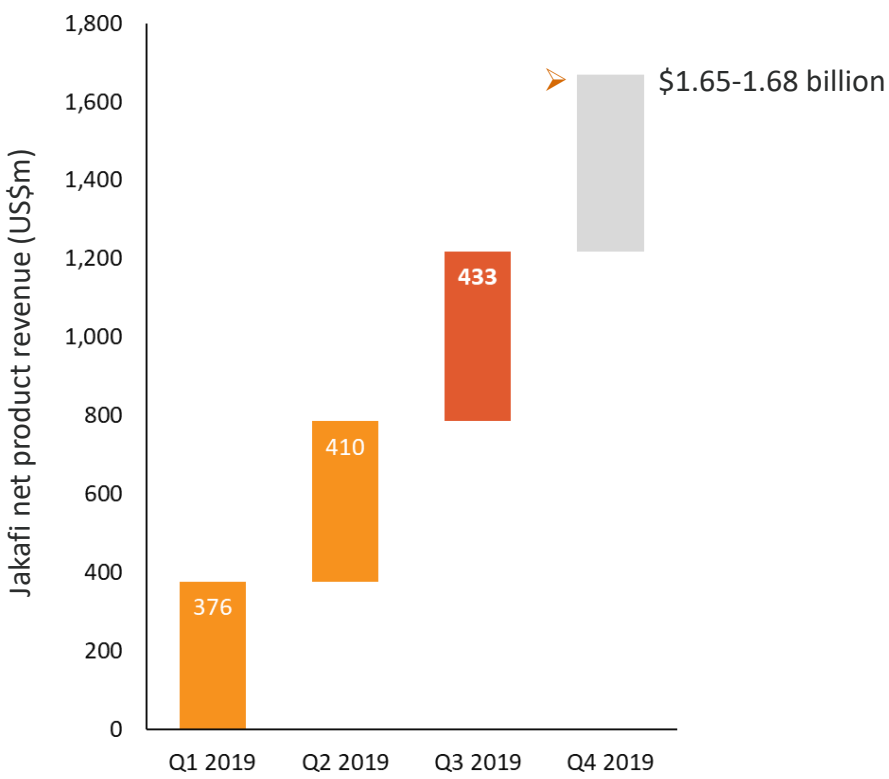
Barry Flannelly

General Manager, U.S.

Continued Jakafi® Momentum in Q3 2019

Full year guidance increased to new range of $1.65-1.68 billion





Jakafi (ruxolitinib) is approved by the FDA for treatment of adults with intermediate or high-risk myelofibrosis, for treatment of adults with polycythemia vera who have had an inadequate response to or are intolerant of hydroxyurea and for the treatment of steroid-refractory acute GVHD in adult and pediatric patients 12 years and older.

Strong Jakafi Performance Across All Three Indications

Jakafi® ruxolitinib (tablets)

Myelofibrosis
FDA approved 2011

- **Continued patient growth in eighth year of commercialization**
  - More than 50% penetration into 16k eligible patients
  - Total patients +5% vs Q3 2018

Polycythemia Vera
FDA approved 2014

- **Positive reaction to TV & social media disease awareness campaign**
  - More than 20% penetration into 25k eligible patients
  - Total patients +15% vs Q3 2018

Graft-versus-Host Disease
FDA approved 2019

- **Initial launch performance exceeding internal expectations**
  - Access across in-patient and out-patient treatment settings
  - Broad BMT center utilization

Incyte

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Clinical Development

Steven Stein
Chief Medical Officer

Ruxolitinib Superior to Best Available Therapy in REACH2 Trial

ruxolitinib[1]
(JAK1/JAK2)

REACH2

Ruxolitinib vs best available therapy
N=310, steroid-refractory acute GVHD

- **Primary endpoint met; overall response rate at day 28**
  - Ruxolitinib superior to best available therapy
  - Data expected to be presented at upcoming medical meeting
  - Data to be shared with FDA for inclusion in Jakafi label

REACH3

Ruxolitinib vs best available therapy
N=324, steroid-refractory chronic GVHD

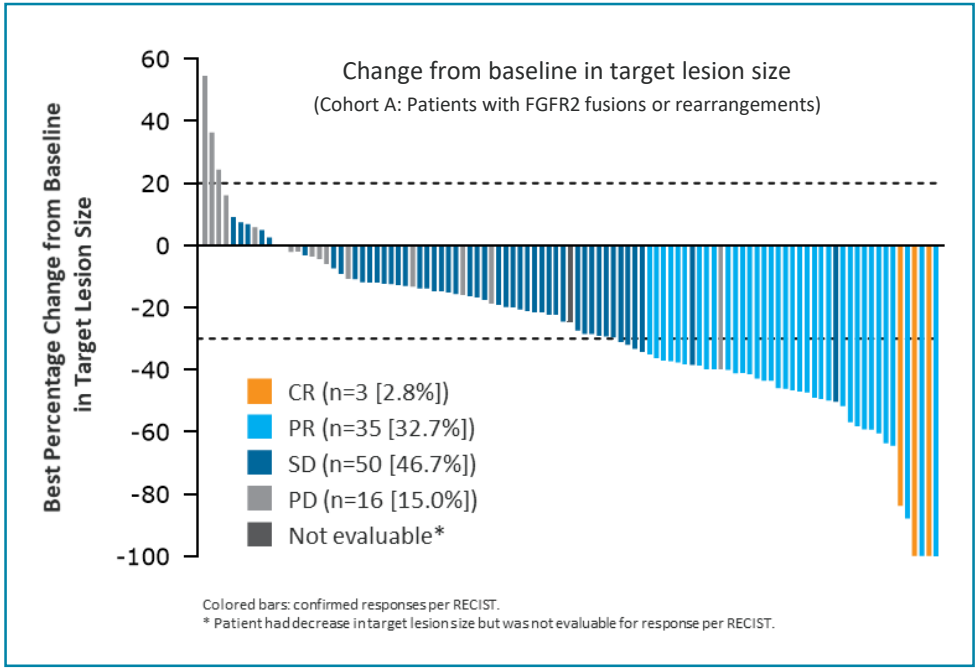
- **IDMC recommended trial continue without modification**
  - Results expected to be available in 2020

1. Development of ruxolitinib in GVHD in collaboration with Novartis; IDMC = Independent Data Monitoring Committee

Data at ESMO Support NDA Submission in Cholangiocarcinoma

pemigatinib (FGFR1/2/3)

- **Efficacy in cohort A (n=107)**
  - 36% overall response rate
  - 82% disease control rate
  - 7.5 month median duration of response
  - 6.9 month median PFS
  - 21.1 month median overall survival
- **Safety (n=146)**
  - Hyperphosphatemia (60%); all grade 1 or 2
  - Hypophosphatemia (23%)
  - Serous retinal detachment (4%)

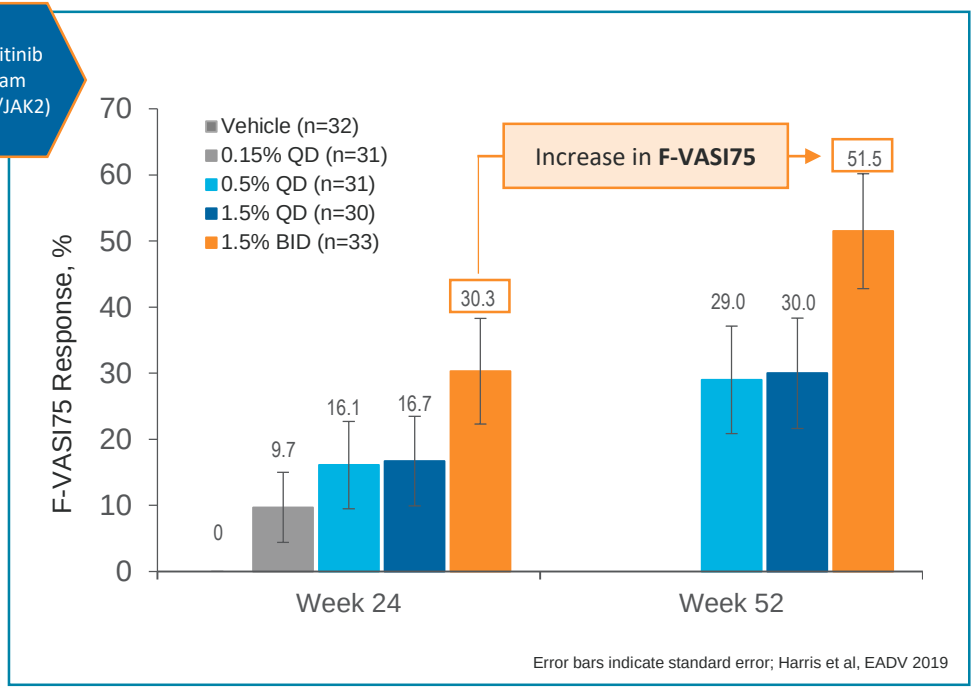


Vogel et al, ESMO 2019

Updated Data from Ruxolitinib Cream in Vitiligo

Continued improvement in repigmentation upon longer treatment duration

ruxolitinib cream (JAK1/JAK2)



Error bars indicate standard error; Harris et al, EADV 2019

- **Continued improvement through 52 weeks[1]**
  - 58% of patients achieved F-VASI50
  - 52% of patients achieved F-VASI75
  - 33% of patients achieved F-VASI90
- **Safety[1]**
  - All doses were well tolerated
  - No treatment-related serious AEs were reported

Two phase 3 (TRuE-V) trials now underway

2 x 300 patients; ≥ 12 years old, ≤ 10% BSA

Primary endpoint: F-VASI75 at 24 weeks

Results expected 2021

1. Harris et al, EADV 2019; F-VASI = facial vitiligo area severity index; BSA = body surface area

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 September 30, 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 September 30, 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.

Financial Highlights: Third Quarter 2019

$ millions	Q3 2019 GAAP	Q3 2018 GAAP	Q3 2019 Non-GAAP[1]	Q3 2018 Non-GAAP[1]	*YoY Change Non-GAAP*
Net product revenues	**454**	**368**	**454**	**368**	***23%***
Jakafi	433	348	433	348	*25%*
Iclusig	21	20	21	20	*2%*
Royalties	**80**	**62**	**80**	**62**	***29%***
Jakavi	58	51	58	51	*15%*
Olumiant	22	11	22	11	*97%*
Total product and royalty revenues	**534**	**430**	**534**	**430**	***24%***
Milestones and contract revenues	18	20	18	20	
Total revenues	**552**	**450**	**552**	**450**	***23%***
Costs and expenses	**417**	**419**	**365**	**371**	***(1%)***
COGS	30	25	24	19	*26%*
R&D – ongoing	281	278	251	251	*0%*
% total revenues	*51%*	*62%*	*45%*	*56%*	
R&D – upfront and milestones	-	15	-	15	-
SG&A	103	97	90	85	*6%*
% total revenues	*19%*	*21%*	*16%*	*19%*	
Change in fair value of contingent consideration	3	5	-	-	
Operating income	**134**	**31**	**186**	**79**	***135%***
% total revenues	*24%*	*7%*	*34%*	*18%*	

Totals may not add due to rounding

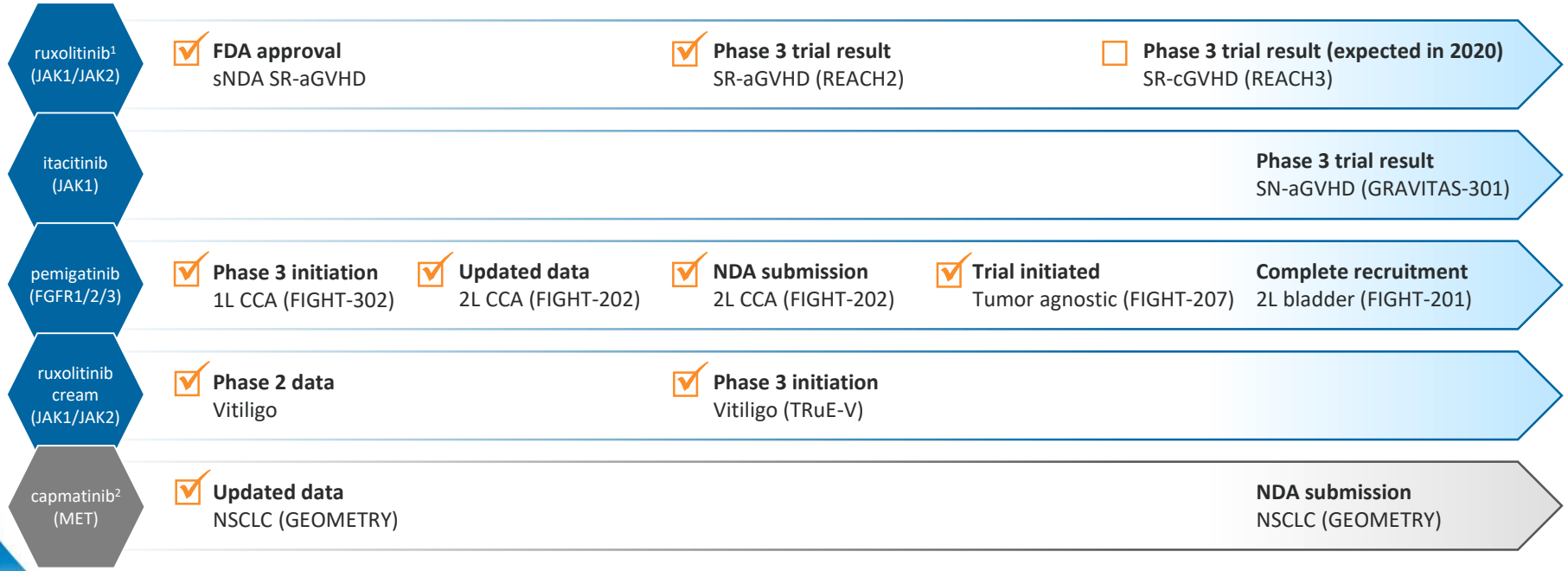
1. Non-GAAP costs and expenses exclude stock-based compensation and other expenses; a reconciliation from GAAP to Non-GAAP financial measures is provided on slide 19

Updated Financial Guidance: Full Year 2019

$ millions	FY 2019 GAAP		FY 2019 Non-GAAP[1]	
	Updated	Previous	Updated	Previous
Net product revenues				
Jakafi	1,650-1,680	1,610-1,650	1,650-1,680	1,610-1,650
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	No change	1,020-1,070	No change
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 20

A Year of Strong Execution in Late-Stage Clinical Development



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Financial Backup Slides

2019 and 2018 Non-GAAP Reconciliation

$ millions	Three Months Ended Sept 30, 2019	Three Months Ended Sept 30, 2018
GAAP operating income	**134**	**31**
Adjustments		
Non-cash stock compensation from equity awards	43	38
Amortization of acquired product rights	5	5
Change in fair value of contingent consideration	3	5
Non-GAAP operating income	**186**	**79**

Totals may not add due to rounding
A full reconciliation of GAAP to Non-GAAP results is set forth in our third quarter 2019 financial results press release issued on October 29, 2019

2019 Financial Guidance Non-GAAP Reconciliation

$ millions	GAAP Guidance	Adjustments	Non-GAAP Guidance
Net product revenues			
Jakafi	1,650-1,680	-	1,650-1,680
Iclusig	90-100	-	90-100
Costs and expenses			
COGS	112-117	Amortization of acquired product rights for Iclusig and stock-based compensation (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)	-

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