Building Value through Innovative Medicines

2018 Fourth Quarter and Year-End Financial and Corporate Update

February 14, 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: our 2019 GAAP and non-GAAP guidance, including our expected growth rate for product-related revenue, and expectations underlying that guidance; expectations regarding our pivotal newsflow items, including the expected timing of the NDA submission for pemigatinib, expectations regarding ruxolitinib, ruxolitinib cream, itacitinib and pemigatinib trial results and timing thereof, and expectations regarding planned regulatory updates, planned pivotal clinical updates and planned pivotal 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 long-term revenue guidance for Jakafi; and expectations regarding our revenue to expense ratios.

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 and changes in the plans of its collaboration partners; the efficacy or safety of Incyte’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; 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 Incyte’s reports filed with the Securities and Exchange Commission, including its Form 10-Q for the quarter ended September 30, 2018. Incyte disclaims any intent or obligation to update these forward-looking statements.

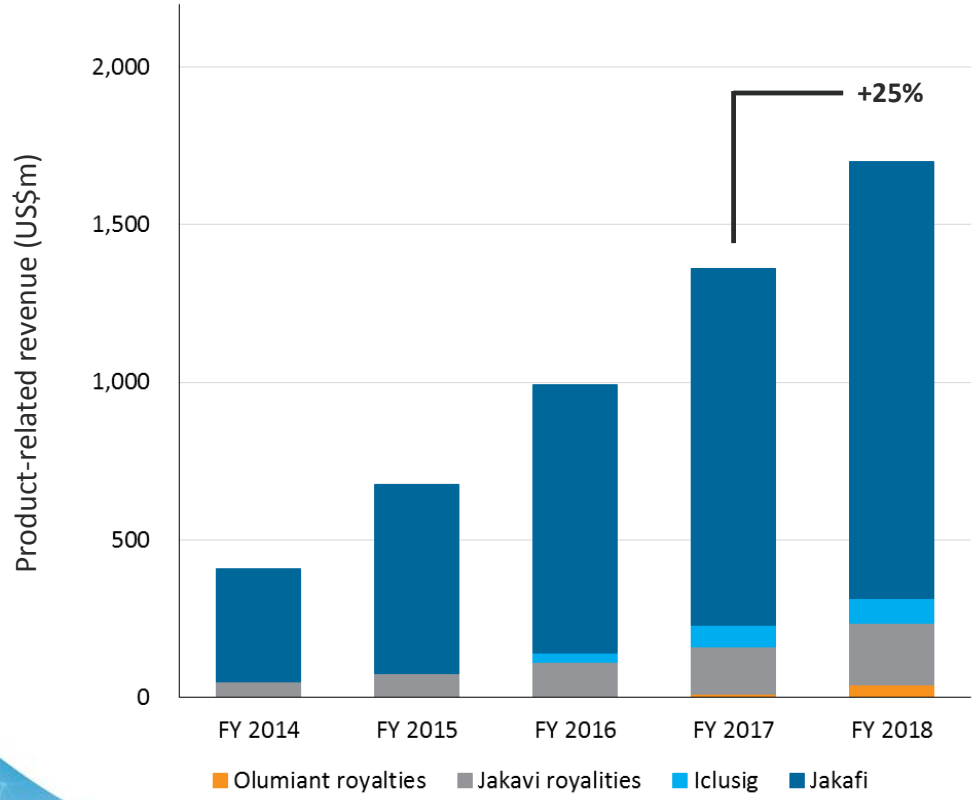
Overview

Hervé Hoppenot

Chief Executive Officer

Strong Momentum Across All Four Sources of Revenue

25% growth in product-related revenue



Revenues:

Jakafi® ruxolitinib (tablets) **+22%**

ICLUSIG™ (ponatinib) tablets **+19%**

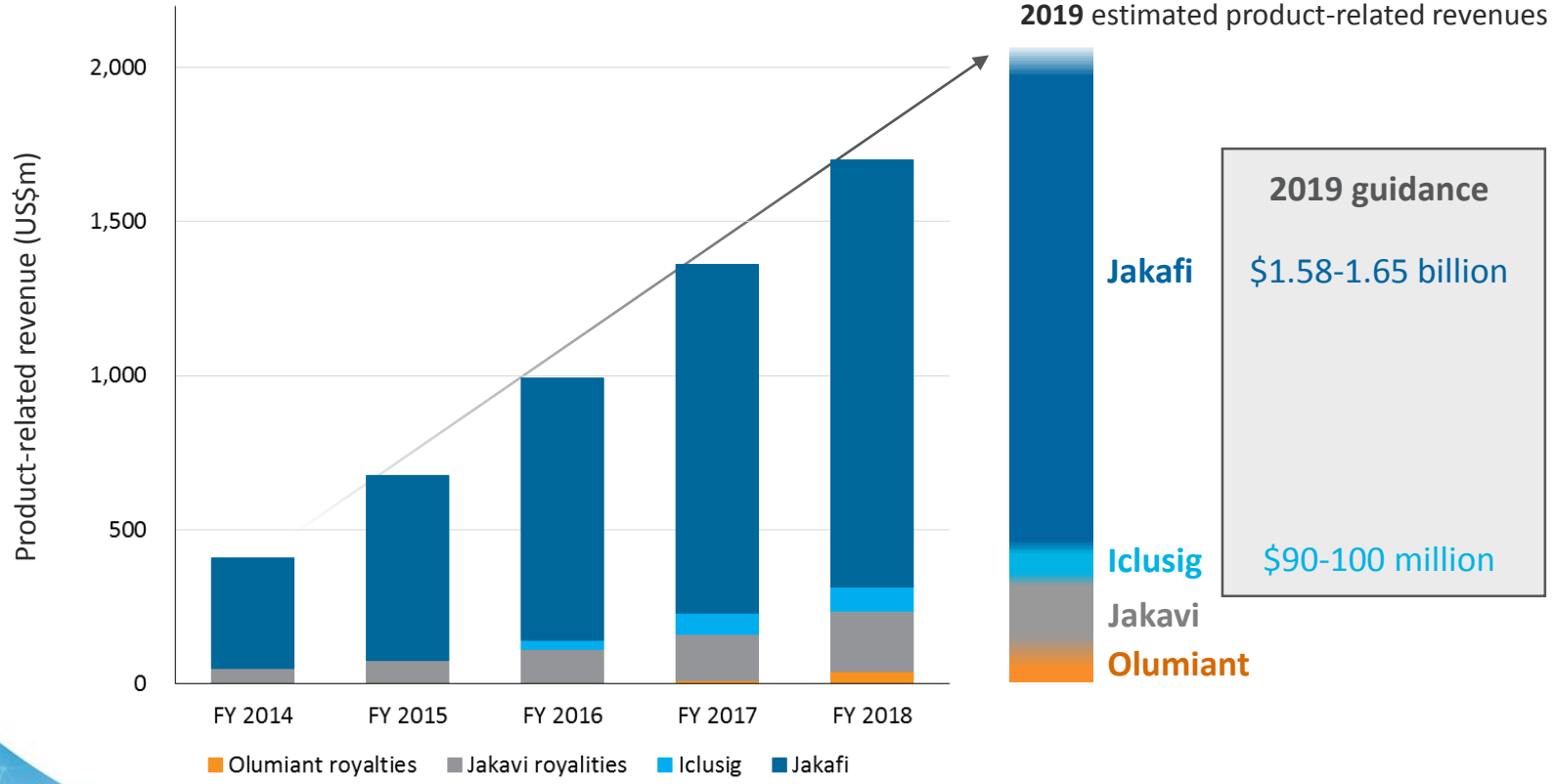
Royalties:

JAKAVI® ruxolitinib **+28%**

olumiant® (baricitinib) tablets **+340%**

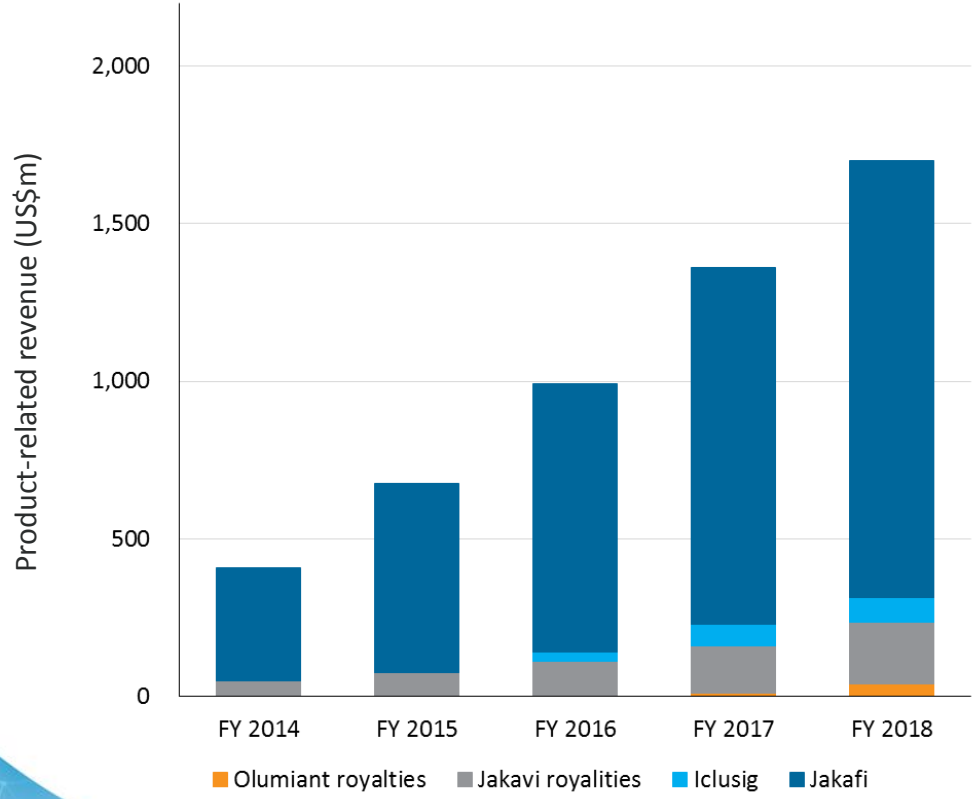
Product-related revenue excludes milestone revenue. Jakavi (ruxolitinib) licensed to Novartis ex-US, Olumiant (baricitinib) licensed to Lilly worldwide; these brands are registered trademarks of Novartis (Jakavi) and Lilly (Olumiant). Iclusig is a registered trademark of ARIAD Pharmaceuticals.

Revenue Trajectory Expected to be Maintained in 2019



2019 estimated revenues for Jakafi and Iclusig from company guidance; 2019 estimated royalties from consensus estimates

Multiple Opportunities to Further Accelerate Revenue Growth



Key 2019 expected newsflow

- ❑ **FDA action** ruxolitinib sNDA (SR-aGVHD)
- ❑ **NDA submission** pemigatinib (iCCA)
- ❑ **NDA submission** capmatinib (NSCLC)[1]
- ❑ **Phase 3 results** itacitinib (SN-aGVHD)
- ❑ **Phase 3 results** ruxolitinib (SR-aGVHD)[2]
- ❑ **Phase 3 results** ruxolitinib (SR-cGVHD)[2]
- ☑ **Phase 3 results** baricitinib (atopic dermatitis)[3]

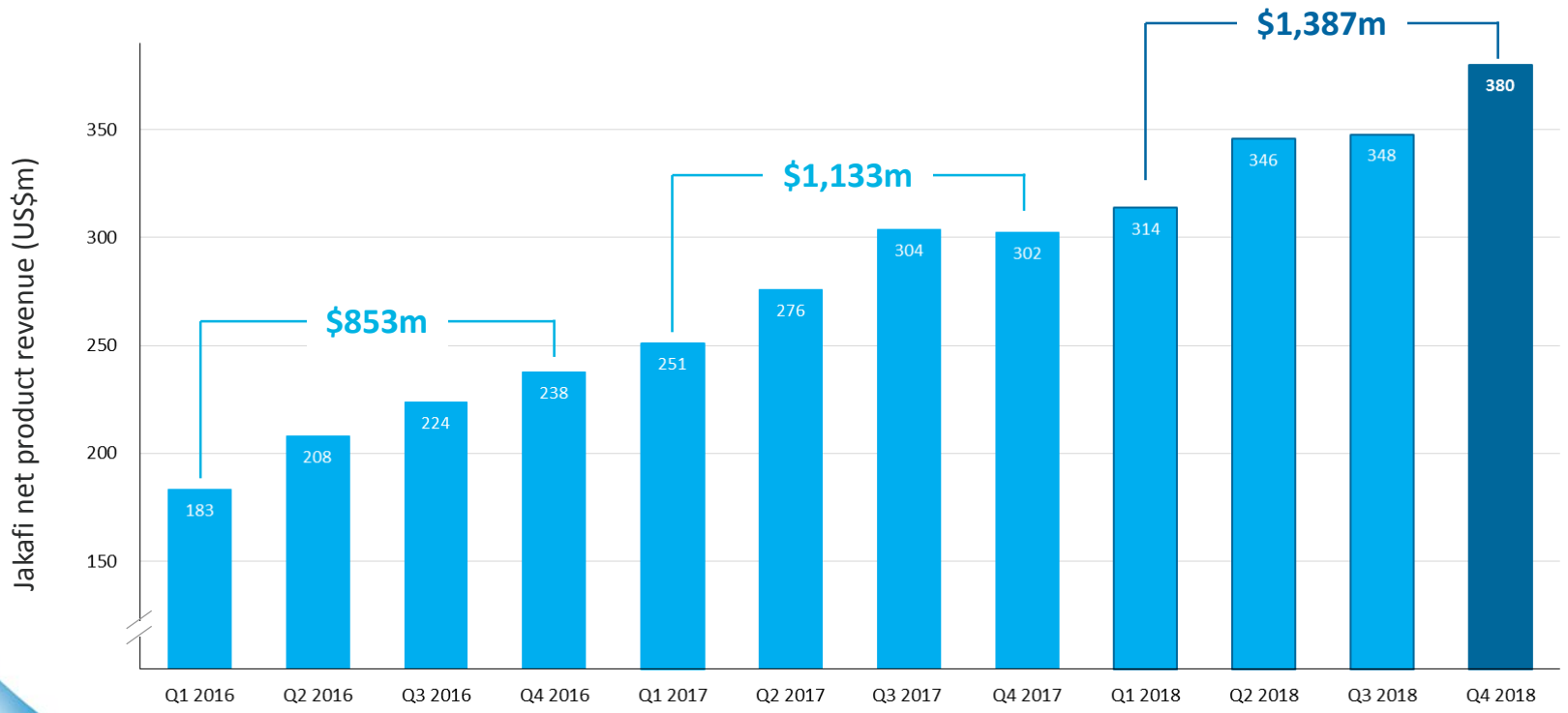
1. Worldwide rights to capmatinib licensed to Novartis; 2. Development of ruxolitinib in GVHD in collaboration with Novartis; 3. Worldwide rights to baricitinib licensed to Lilly

U.S. Commercial Update

Barry Flannelly

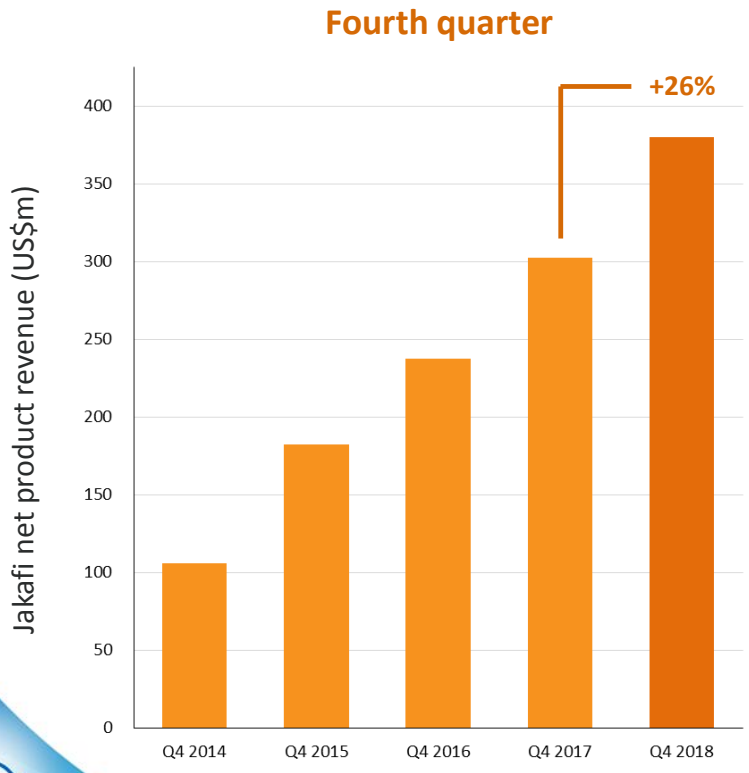
General Manager, U.S.

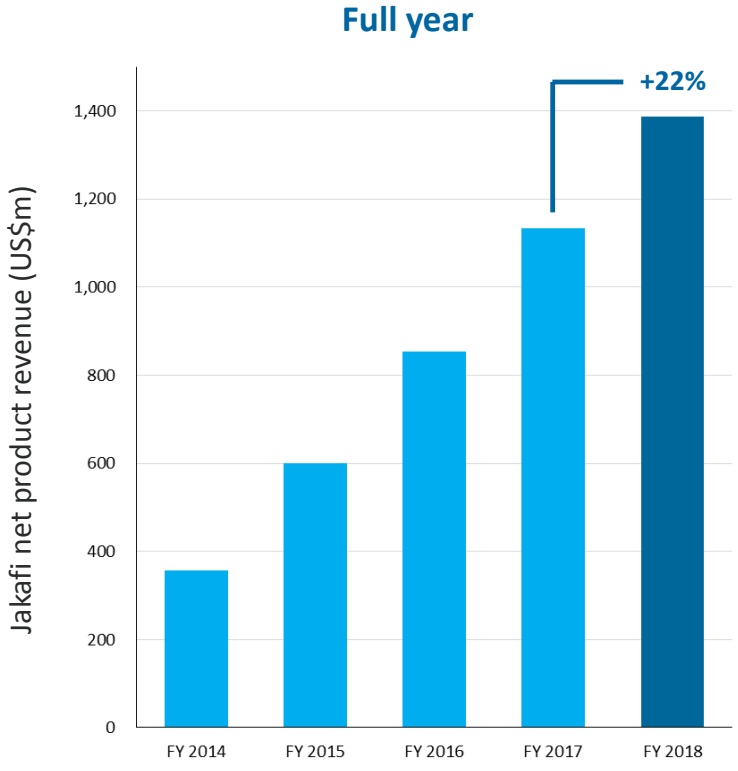
Jakafi® Growth Remains Strong



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.

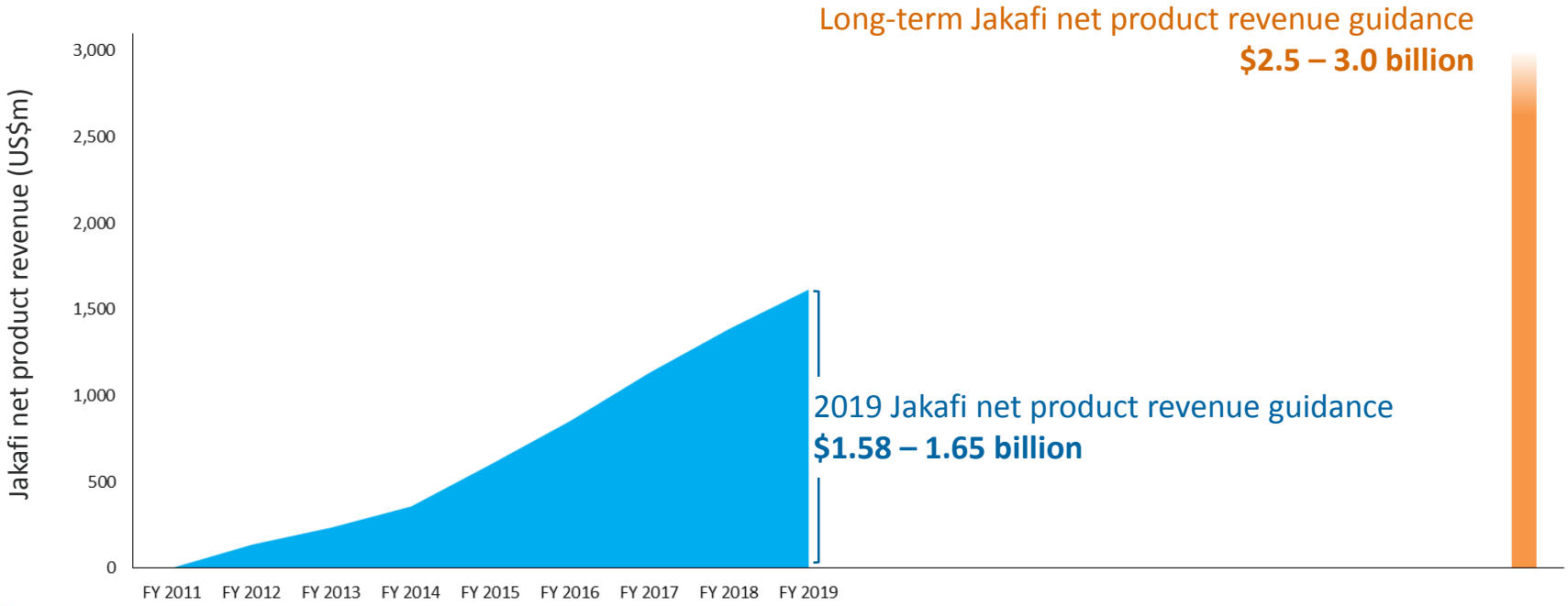
Consistent Jakafi® Growth Quarter on Quarter and Year on Year





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.

Guidance for 2019 Revenue and Long-Term Jakafi® Performance



Clinical Development

Steven Stein
Chief Medical Officer

Six Projects in 16 Indications Aim to Accelerate Near-Term Growth

Focused efforts on executing late-stage objectives in 2019

Graft-versus Host Disease

ruxolitinib[1] (JAK1/JAK2)

Steroid-refractory acute and chronic GVHD

3,000 new patients per year in US

Phase 3 results in both indications expected in 2019

itacitinib (JAK1)

Steroid-naïve acute and chronic GVHD

15,000 new patients per year

Phase 3 results in acute GVHD expected in 2019

Targeted Therapies

pemigatinib (FGFR1/2/3)

Cholangiocarcinoma, bladder cancer, 8p11 MPN and solid tumors

35,000 new patients per year

Cholangiocarcinoma NDA expected in 2019

parsaclisib (PI3Kδ)

Follicular, mantle cell and marginal zone lymphoma

22,000 new patients per year (2L+)

Initial data expected in 2020

Immuno-Oncology

INCMGA0012 (PD-1)

MSI-high endometrial, anal and merkel cell carcinoma

15,000 new patients per year

Initial data expected in 2020

IAI

ruxolitinib cream (JAK1/JAK2)

Atopic dermatitis and vitiligo

~12 million potential patients in the US

Phase 2 data in vitiligo expected in 2019

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 Opportunity for JAK Inhibition as Therapy for GVHD

15,000 newly-diagnosed GVHD patients annually in US, EU and Japan

REACH

Pivotal program of ruxolitinib in steroid-refractory acute and chronic GVHD

REACH1: Ruxolitinib data in steroid-refractory acute GVHD

	Ruxolitinib (N=71)
Best overall response rate, n (%)	52 (73.2)
Day 28 overall response rate*, n (%)	39 (54.9)
Complete response	19 (26.8)
Very good partial response	7 (9.9)
Partial response	13 (18.3)
Median duration of response**	345 days

Jagasia et al, ASH 2018

REACH2 and REACH3 results expected in 2019

GRAVITAS

Pivotal program of itacitinib in steroid-naïve acute and chronic GVHD

Proof-of-concept: Itacitinib data in treatment-naïve acute GVHD

	Itacitinib (N=12)
Overall response, n (%)	10 (83.3)
Complete response	8 (66.7)
Very good partial response	0
Partial response	2 (16.7)

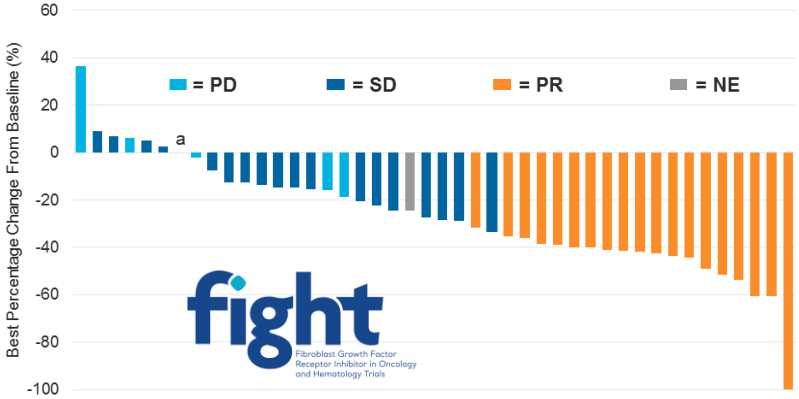
Schroeder et al, ASH 2016

GRAVITAS-301 results expected in 2019

Development of ruxolitinib in GVHD in collaboration with Novartis.
* Patients with response at Day 28 ± 2 days on/prior to start of new anti-GVHD therapy. Subjects with missing assessment were considered as non-responders.
** Time from first response until GVHD progression or death.

Compelling Opportunity for Pemigatinib Across Multiple Tumor Types

Intermittent dosing: ORR 40%, DCR 85%[1]



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%.

Cholangiocarcinoma — NDA expected in 2019

Opportunity: 2,000-3,000 patients

Bladder Cancer — sNDA expected in 2020

Opportunity: 15,000-20,000 patients

8p11 MPN

Opportunity: ~100 patients

Tumor Agnostic — Trial expected to begin in 2019

Opportunity: 15,000-20,000 patients

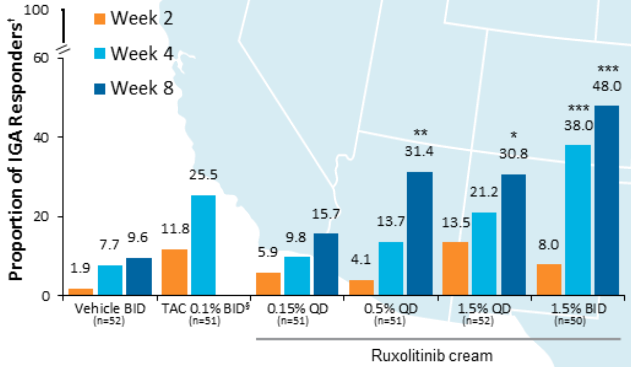
1. Hollebecque et al (2018) ESMO 2018; efficacy data from Cohort A (n=47, patients with FGFR2 translocations)

Ruxolitinib Cream has Potential to Treat Atopic Dermatitis and Vitiligo

Phase 3 now underway in atopic dermatitis, vitiligo Phase 2 data expected this year

Atopic Dermatitis

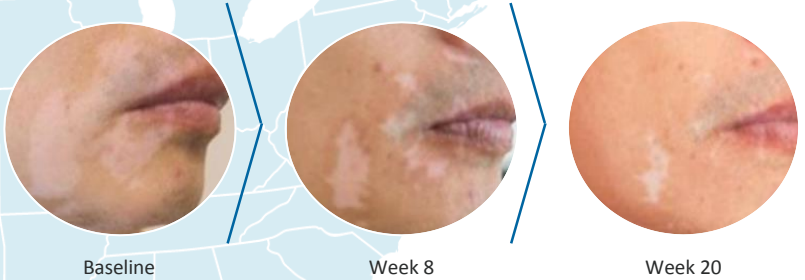
- Prompt improvements in EASI, IGA and pruritus/itch were observed in all ruxolitinib arms[1]
- ~10 million patients suffer with atopic dermatitis in the US



Phase 3 data expected in 2020

Vitiligo

- Significant improvement in facial vitiligo[2]
- ~2-3 million patients suffer from vitiligo in the US



Phase 2 data expected in 2019

1. Kim et al, EADV 2018
2. Rothstein et al (2017) J AmAcad Dermatol.

Financial Results

Paul Trower

Principal Accounting Officer

Non-GAAP Adjustments

- The financial measures other than Non-GAAP operating income / (loss) presented in this presentation for the three and twelve months ended December 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 operating income / (loss) for the three and twelve months ended December 31, 2018 and 2017 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 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.

Financial Highlights: Fourth Quarter 2018

$ millions	Q4 2018 GAAP	Q4 2017 GAAP	Q4 2018 Non-GAAP[1]	Q4 2017 Non-GAAP[1]	*YoY Change Non-GAAP*
Net product revenues	**399**	**322**	**399**	**322**	***24%***
Jakafi	380	302	380	302	*26%*
Iclusig	19	19	19	19	*(2%)*
Royalties	**69**	**52**	**69**	**52**	***32%***
Jakavi	55	48	55	48	*16%*
Olumiant	14	5	14	5	*201%*
Total product-related revenues	**468**	**374**	**468**	**374**	***25%***
Milestones	60	70	-	-	
Total revenues	**528**	**444**	**468**	**374**	***25%***
Costs and expenses	**446**	**577**	**391**	**378**	***4%***
COGS	26	22	21	17	*24%*
R&D	304	447	274	274	*0%*
% total revenues	*58%*	*101%*	*58%*	*73%*	
SG&A	108	98	97	87	*12%*
% total revenues	*21%*	*22%*	*21%*	*23%*	
Change in fair value of contingent consideration	7	10	-	-	
Operating income / (loss)	**82**	**(132)**	**77**	**(4)**	**-**
% total revenues	*16%*	-	*16%*	-	

Totals may not add due to rounding; total revenues includes $58,000 and $33,000 of other revenues in Q4 2018 and Q4 2017, respectively.

1. Non-GAAP revenues exclude milestones received and Non-GAAP costs and expenses exclude upfront consideration and milestones, stock-based compensation and other expenses; a reconciliation from GAAP to Non-GAAP financial measures is provided on slide 26

Financial Highlights: Full Year 2018

$ millions	FY 2018 GAAP	FY 2017 GAAP	FY 2018 Non-GAAP[1]	FY 2017 Non-GAAP[1]	*YoY Change Non-GAAP*
Net product revenues	**1,467**	**1,200**	**1,467**	**1,200**	***22%***
Jakafi	1,387	1,133	1,387	1,133	*22%*
Iclusig	80	67	80	67	*19%*
Royalties	**235**	**161**	**235**	**161**	***46%***
Jakavi	195	152	195	152	*28%*
Olumiant	40	9	40	9	*340%*
Total product-related revenues	**1,702**	**1,361**	**1,702**	**1,361**	***25%***
Milestones	180	175	-	-	
Total revenues	**1,882**	**1,536**	**1,702**	**1,361**	***25%***
Costs and expenses	**1,753**	**1,780**	**1,504**	**1,246**	***21%***
COGS	94	79	73	58	*25%*
R&D	1,198	1,326	1,045	865	*21%*
% total revenues	*64%*	*86%*	*61%*	*64%*	
SG&A	434	366	387	324	*20%*
% total revenues	*23%*	*24%*	*23%*	*24%*	
Change in fair value of contingent consideration	26	8	-	-	
Operating income / (loss)	**129**	**(243)**	**198**	**115**	***72%***
% total revenues	*7%*	-	*12%*	*8%*	

Totals may not add due to rounding; total revenues includes $203,000 and $113,000 of other revenues in FY 2018 and FY 2017, respectively.

1. Non-GAAP revenues exclude milestones received and Non-GAAP costs and expenses exclude upfront consideration and milestones, stock-based compensation and other expenses; a reconciliation from GAAP to Non-GAAP financial measures is provided on slide 26

Financial Guidance: Full Year 2019

$ millions	FY 2019 GAAP	FY 2019 Non-GAAP[1]	FY 2018 Non-GAAP[1]
Net product revenues			
Jakafi	1,580-1,650	1,580-1,650	1,387
Iclusig	90-100	90-100	80
Costs and expenses			
COGS	112-117	90-95	73
R&D	1,185-1,255	1,030-1,100	1,045
SG&A	471-521	420-470	387
Change in fair value of contingent consideration	30	-	-

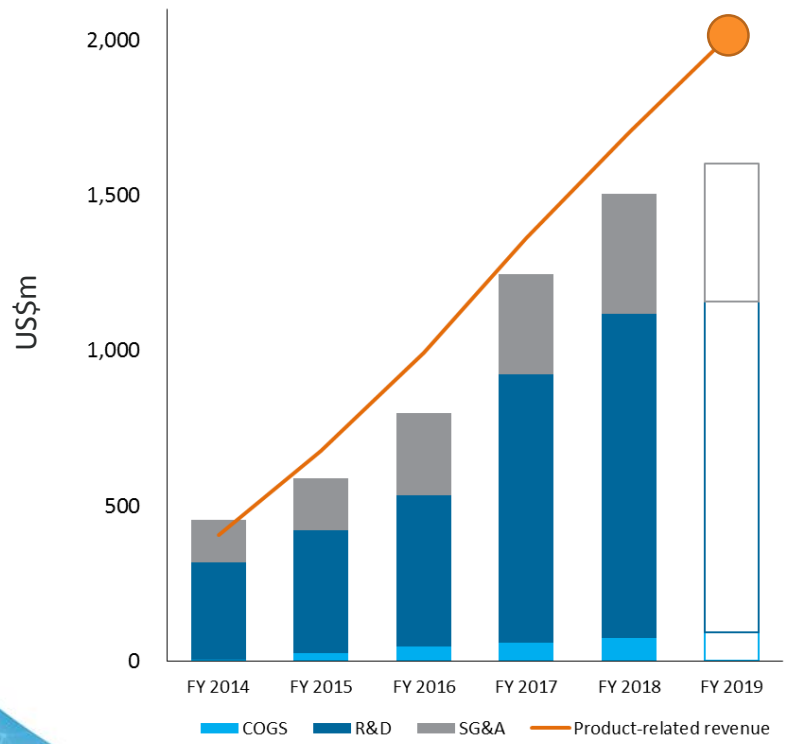
1. Non-GAAP revenues exclude milestones received and Non-GAAP costs and expenses exclude upfront consideration and milestones, stock-based compensation and other expenses; a reconciliation from GAAP to Non-GAAP financial measures is provided on slide 27

The Year Ahead

Hervé Hoppenot

Chief Executive Officer

Revenue to Expense Ratios Expected to Further Improve in 2019



2019 product-related revenues
~20% growth

2019 Non-GAAP SG&A
~15% growth

2019 Non-GAAP R&D
~2% growth

FY 2019 calculated using product sales guidance, consensus royalty estimates and mid-points of Non-GAAP expenses guidance

Expected 2019 Newsflow for Key Development Projects

Planned regulatory updates

- ruxolitinib (JAK1/JAK2): Achieve FDA approval for steroid-refractory acute GVHD (REACH1)[1]
- pemigatinib (FGFR1/2/3): Submit NDA for cholangiocarcinoma (FIGHT-202)
- capmatinib[2] (MET): NDA for NSCLC to be submitted by Novartis

Planned pivotal clinical updates

- baricitinib[3] (JAK1/JAK2): Phase 3 atopic dermatitis results to be reported by Lilly ✓
- itacitinib (JAK1): Phase 3 treatment-naïve acute GVHD results (GRAVITAS-301)
- ruxolitinib (JAK1/JAK2): Phase 3 steroid-refractory acute GVHD results (REACH2)[1]
- ruxolitinib (JAK1/JAK2): Phase 3 steroid-refractory chronic GVHD results (REACH3)[1]
- pemigatinib (FGFR1/2/3): Phase 2 cholangiocarcinoma results (FIGHT-202)[4]
- pemigatinib (FGFR1/2/3): Phase 2 bladder cancer to complete recruitment (continuous dosing cohort, FIGHT-201)[4]

Planned pivotal trial initiations

- ruxolitinib cream (JAK1/JAK2): Atopic dermatitis (TRuE-AD1, TRuE-AD2) ✓
- itacitinib (JAK1): Treatment-naïve chronic GVHD (GRAVITAS-309) ✓
- pemigatinib (FGFR1/2/3): 1L cholangiocarcinoma (FIGHT-302)
- ruxolitinib cream (JAK1/JAK2): Vitiligo, if Phase 2 is positive
- pemigatinib (FGFR1/2/3): 1L bladder cancer
- pemigatinib (FGFR1/2/3): Solid tumors with driver activations of FGF/FGFR

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
4. FIGHT-201 and FIGHT-202 have the potential to enable registration

Building Value through Innovative Medicines

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Financial Backup Slides

2018 and 2017 Non-GAAP Reconciliation

$ millions	Three Months Ended Dec 31, 2018	Three Months Ended Dec 31, 2017	Twelve Months Ended Dec 31, 2018	Twelve Months Ended Dec 31, 2017
GAAP operating income / (loss)	**82**	**(132)**	**129**	**(243)**
Adjustments				
Milestones received from new or existing partners	(60)	(70)	(180)	(175)
Upfront consideration and milestones paid to new or existing partners	5	150	52	359
Non-cash stock compensation from equity awards	37	34	148	133
Asset impairment (in-process research and development)	-	-	-	12
Amortization of acquired product rights	5	5	22	22
Change in fair value of contingent consideration	7	10	26	8
Non-GAAP operating income / (loss)	**77**	**(4)**	**198**	**115**

Totals may not add due to rounding
A full reconciliation of GAAP to Non-GAAP results is set forth in our fourth quarter and full-year 2018 financial results press releases issued on February 14, 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	1,185-1,255	Stock-based compensation (125) and milestones (30)	1,030-1,100
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)	-