Building Value through Innovative Medicines

2018 Third Quarter and Nine Month Financial and Corporate Update

October 30, 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: expectations regarding the first clinical trial for bispecific candidates and baricitinib trial data; Jakafi net revenue guidance; expectations regarding ruxolitinib, ruxolitinib cream, itacitinib and pemigatinib trial results and timing thereof, phase 3 trial launch timing and NDA submission; expectations by our collaborative partners regarding timing of NDA submission for capmatinib and 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 expected 2018 gross-to-net adjustment and year-end level of cash and marketable securities; our updated guidance for 2018; and our expectations for FDA approval for ruxolitinib in steroid-refractory acute GVHD, NDA submission of pemigatinib for cholangiocarcinoma, results and consequences regarding the trial of pemigatinib for bladder cancer and GVHD pivotal trials, and initiation of phase 3 programs in itacitinib, ruxolitinib cream and pemigatinib.

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 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 June 30, 2018. Incyte disclaims any intent or obligation to update these forward-looking statements.

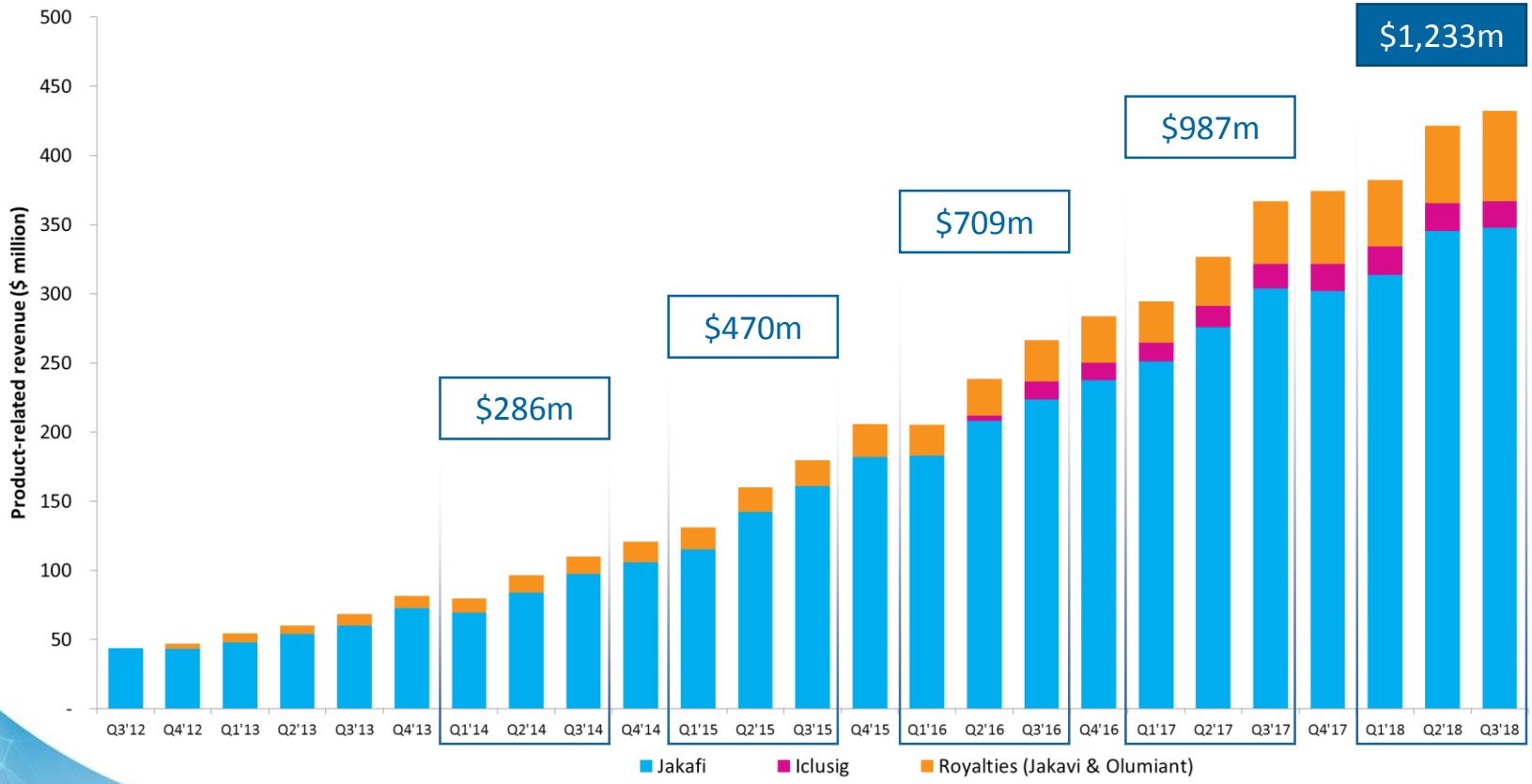
Year-to-Date Review

Hervé Hoppenot

Chief Executive Officer

Revenue Momentum Continues

Product-related revenue (ex-milestones) increased 25% in first nine months of 2018



Amounts represent product-related revenue in first nine months of each year, 2014 - 2018

Number of Patients on Jakafi® Continues to Increase

Over 12,500 patients taking Jakafi at end Q3

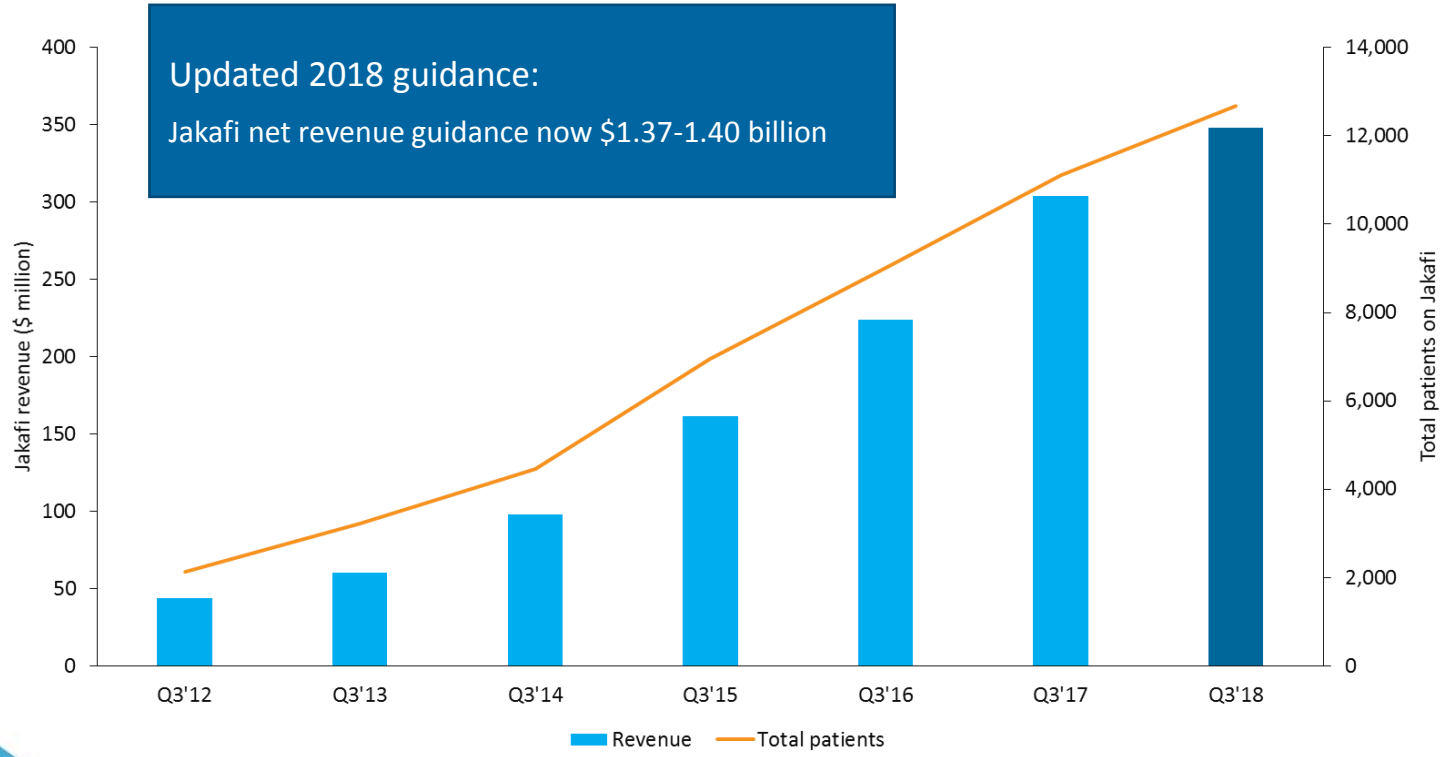


Figure represents Jakafi revenue in the third quarter of each year (2012 – 2018) and the estimated total number of patients taking Jakafi at the end of that quarter

R&D Efforts Concentrated on Later-Stage Opportunities

Small molecules

AXL/MER, FGFR4, IDO1, PIM, ARG, LSD1

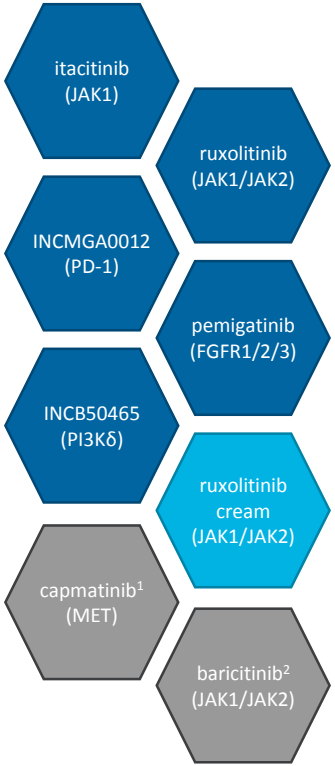
Monoclonal antibodies

TIM-3, LAG-3, OX40, GITR

Bispecific antibodies

First clinical candidate expected in 2019

Proof-of-concept



Five late-stage programs in oncology

Emerging opportunities in inflammation and autoimmunity

Continued progress with partnered molecules

1. Worldwide rights to capmatinib licensed to Novartis
2. Worldwide rights to baricitinib licensed to Lilly

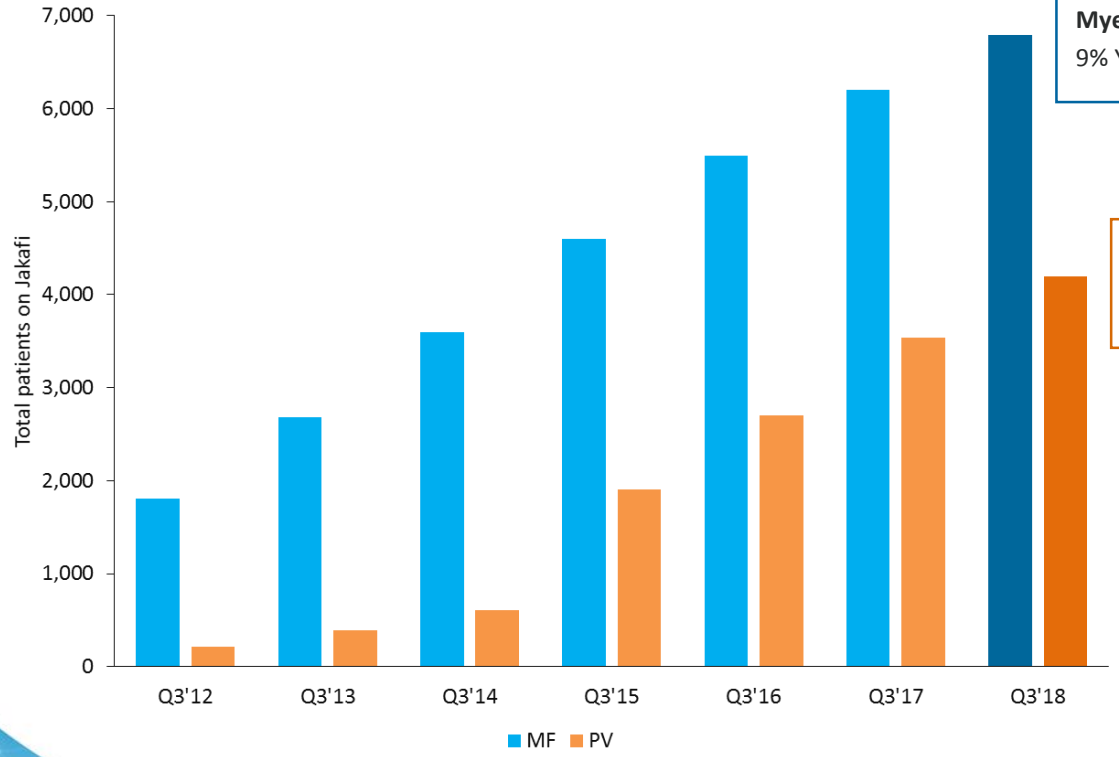
U.S. Commercial Update

Barry Flannelly

General Manager, U.S.

Increased Use of Jakafi® in Both Approved Indications

Total number of both MF (+9%) and PV (+18%) patients continues to increase



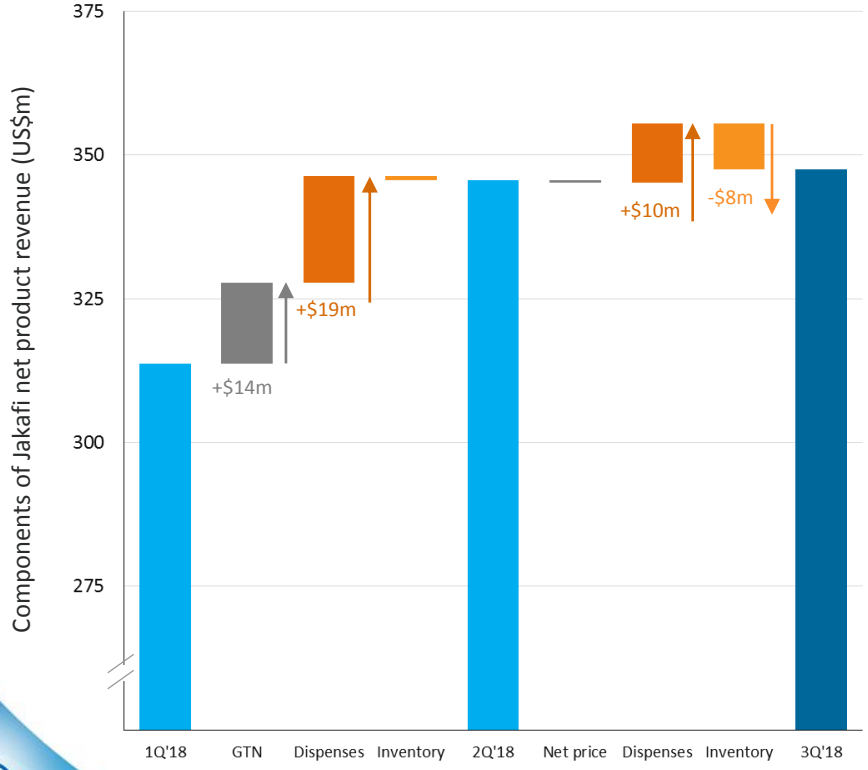
Myelofibrosis
9% YoY growth in total patients

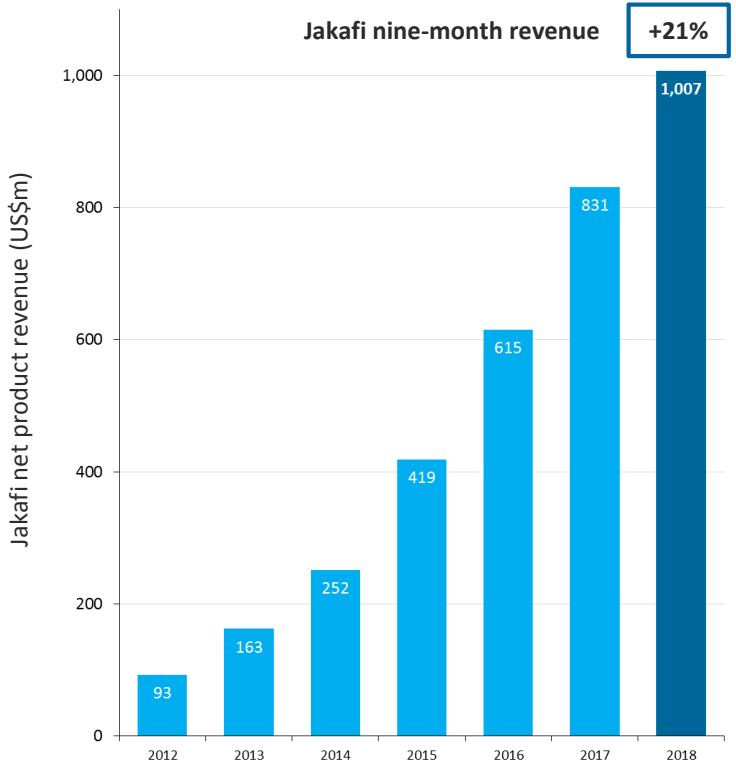
Polycythemia Vera
18% YoY growth in total patients

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.

Changes in Inventory Negatively Affected Jakafi® Revenue in Q3

Inventory changes are normalized in 9-month comparisons





GTN = gross to net adjustment; there were no movements in wholesale price in Q2 2018. Net price reflects increases in wholesale price offset by increases in GTN.

Jakafi® on Track to Maintain Consistent Year-on-Year Momentum

Strong new patient starts in Q3 2018 a reliable indicator of expected future demand

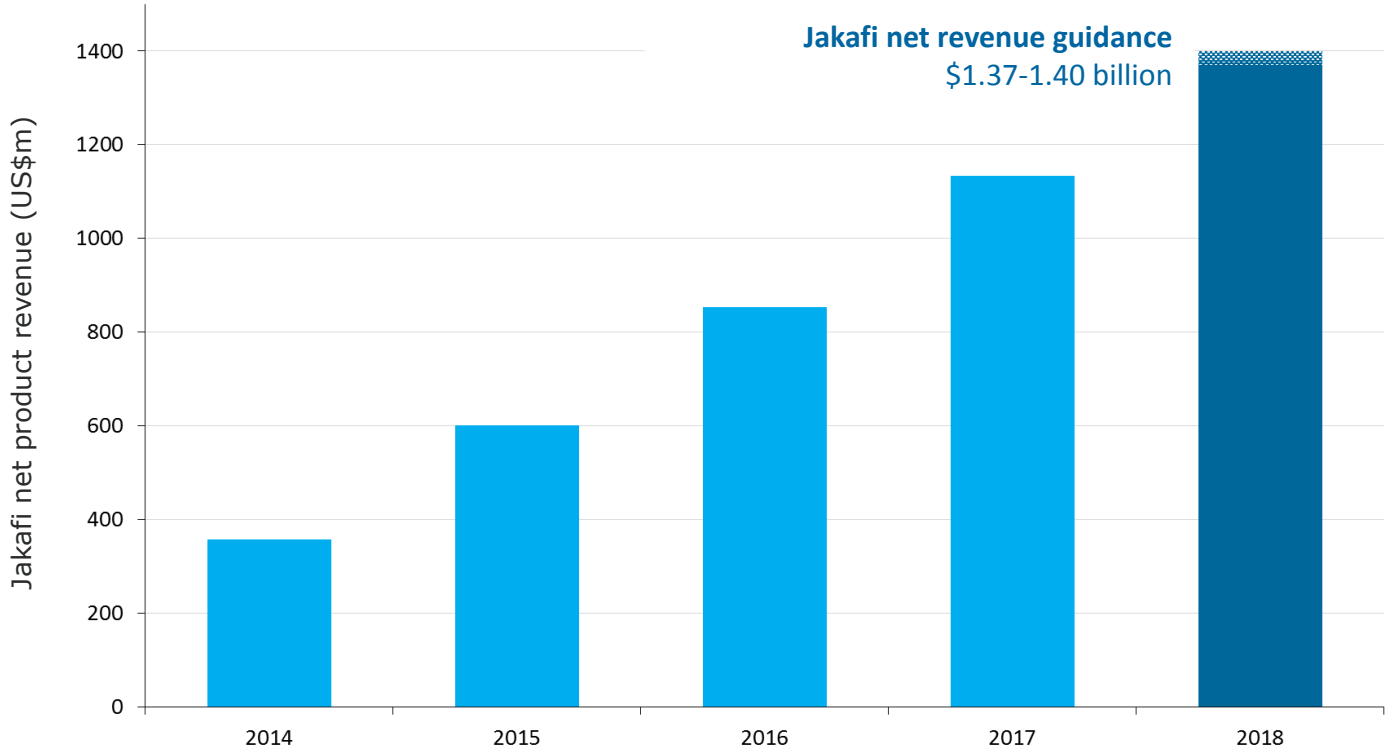


Figure represents actual Jakafi net product revenue for FY 2014-2017, and Jakafi net product revenue guidance for FY 2018

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.

Delivering the Potential of JAK Inhibition in Multiple Indications

Ruxolitinib now under Priority Review as a treatment for steroid-refractory acute GVHD

Steroid-refractory acute GVHD **REACH1**

- ✓ Best overall response rate = 73%
- ✓ Day 28 overall response rate = 55%
- ✓ Encouraging duration of responses
- ✓ No unexpected safety findings

Graft versus Host Disease
sNDA accepted by FDA for Priority Review

Polycythemia Vera
FDA approved 2014

~20% penetration into 25k eligible patients

Myelofibrosis
FDA approved 2011

~40% penetration into 16k eligible patients

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

Significant Commitment to GVHD with Multiple Pivotal Trials Ongoing

Completed ✓	Pivotal Data Expected in 2019			Beginning in 2019
REACH1	REACH2	REACH3	GRAVITAS-301	GRAVITAS-309
ruxolitinib steroid-refractory acute GVHD	**ruxolitinib** steroid-refractory acute GVHD	**ruxolitinib** steroid-refractory chronic GVHD	**itacitinib** treatment-naïve acute GVHD	**itacitinib** treatment-naïve chronic GVHD

~3,000
new steroid-refractory GVHD patients in U.S.

~15,000
new treatment-naïve GVHD patients globally

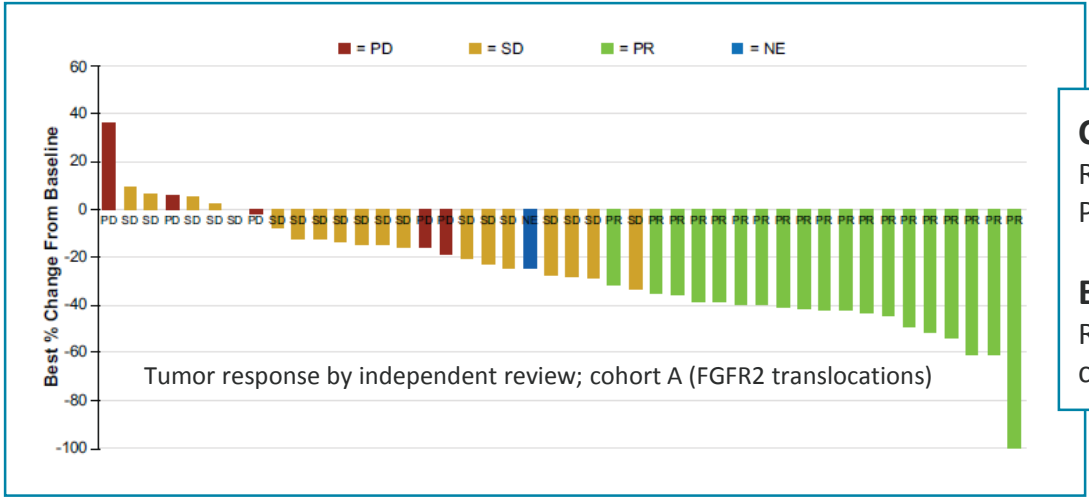
Development of ruxolitinib in GVHD in collaboration with Novartis.

Global estimates represent US, Europe and Japan based on data from CIBMTR, EBMT, JDCHCT Survey reports; limited to Adult Population estimation only (>18 or 20 years of age), multiple incidences can be attributed to a single patient as disease progresses rapidly within 12 months. Incidence of acute GVHD is Grades II-IV only; Grade I acute GVHD is either untreated or treated with oral steroids, no systemic treatment. Approximately 30% of patients with chronic GVHD are diagnosed with de novo chronic GVHD.

Compelling Profile for Pemigatinib at ESMO[1]

Updated data in 2nd line cholangiocarcinoma patients followed for ≥ 8 months

- Overall response rate 40%; disease control rate 85%; progression-free survival 9.2 months
- Most common TEAEs included hyperphosphatemia, alopecia, and diarrhea



Cholangiocarcinoma

Recruitment completed, NDA expected in 2019; Phase 3 (1st line) in preparation

Bladder cancer

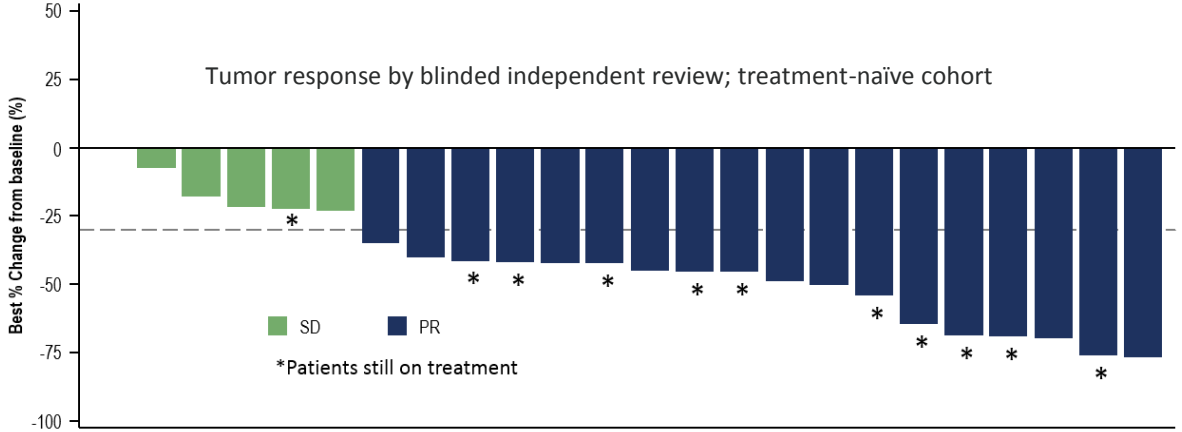
Recruitment now underway in continuous dosing cohort; data expected in 2019

1. Hollebecque et al (2018) ESMO 2018; efficacy data from Cohort A (n=47, patients with FGFR2 translocations); TEAEs = treatment-emergent adverse events

Capmatinib is a Selective MET inhibitor; Data Presented at ESMO[1]

A potential new treatment option for METexon-14 skipping mutations in NSCLC

- METexon-14 skipping mutations occur in 3-4% of NSCLC[2-4]
- Capmatinib has demonstrated a clinically meaningful response rate and manageable toxicity profile in patients with METΔex14 advanced NSCLC, regardless of the line of therapy
- Overall response rate by central review: 72% (1st line) & 39% (2nd and 3rd line)



Novartis expects to submit an NDA for capmatinib in 2019

Incyte eligible for milestones and 12-14% royalties on sales

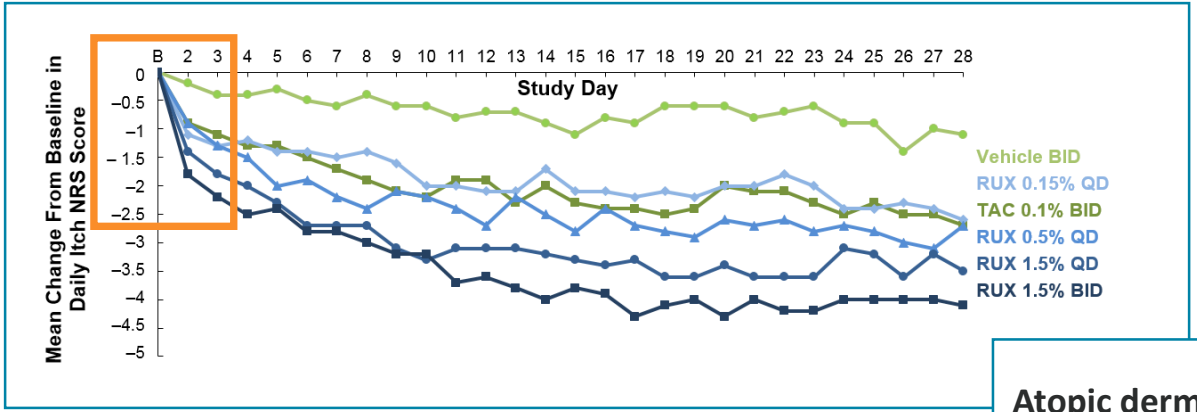
Waterfall plot represents 1st line patients; 2nd/3rd line patient data not shown

1. Wolf et al (2018) ESMO 2018, 2. Reungwetwattana T, et al. Lung Cancer. 2017;103:27-37. 3. Gelsomino F, et al. Cancers (Basel). 2014;6(4):2100-2115. 4. Ma PC. Cancer Discov. 2015;5:802-805.

Ruxolitinib Cream May Represent a Novel and Effective Treatment

Dose-dependent efficacy in atopic dermatitis at EADV[1]

- Prompt improvements in EASI, IGA and pruritus/itch were observed in all ruxolitinib arms
- Ruxolitinib cream was not associated with any significant safety or tolerability findings



Atopic dermatitis

Regulatory discussions regarding Phase 3 design

Vitiligo

Randomized, double-blind, vehicle-controlled Phase 2 trial underway; data expected in 2019

1. Kim et al (2018) EADV 2018

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 nine months ended September 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 nine months ended September 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 September 30, 2018		Three Months Ended September 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenues:				
Product revenues, net	$367,715	$367,715	$322,029	$322,029
Product royalty revenues[1]	61,923	61,923	44,487	44,487
Milestone revenues	20,000	-	15,000	-
Other revenues	45	45	18	18
Total revenues	**449,683**	**429,683**	**381,534**	**366,534**
Costs and expenses:				
Cost of product revenues[2]	24,795	19,411	22,036	16,652
Research and development – ongoing[3]	277,527	251,261	257,557	234,106
Research and development – upfront consideration and milestone expenses	15,000	-	-	-
Research and development – asset impairment (in-process research and development)	-	-	12,000	-
Selling, general and administrative[3]	96,522	84,835	91,265	79,785
Change in fair value of acquisition-related contingent consideration	4,720	-	(16,343)	-
Total costs and expenses	**418,564**	**355,507**	**366,515**	**330,543**
Income from operations	**31,119**	**74,176**	**15,019**	**35,991**
Other income (expense), net	10,211	10,211	5,494	5,494
Interest expense[4]	(405)	(100)	(204)	86
Unrealized gain (loss) on long term investments	(9,949)	-	23,045	-
Expense related to senior note conversions	-	-		-
Income before provision for income taxes	**30,976**	**84,287**	**43,354**	**41,571**
Provision for income taxes	1,800	1,700	7,300	490
Net income	**$29,176**	**$82,587**	**$36,054**	**$41,081**
Net income per share:				
Basic	$0.14	$0.39	$0.17	$0.20
Diluted	$0.14	$0.38	$0.17	$0.19

1. Product royalty revenues for the three months ended September 30, 2018 included $50,923 from the sale of Jakavi and $11,000 from the sale of Olumiant. Product royalty revenues for the three months ended September 30, 2017 included $41,308 from the sale of Jakavi and $3,179 from the sale of Olumiant.
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)

	Nine Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Revenues:				
Product revenues, net	$1,067,744	$1,067,744	$878,503	$878,503
Product royalty revenues[1]	165,592	165,592	108,477	108,477
Milestone revenues	120,000	-	105,000	-
Other revenues	145	145	80	80
Total revenues	**1,353,481**	**1,233,481**	**1,092,060**	**987,060**
Costs and expenses:				
Cost of product revenues[2]	67,757	51,605	57,120	40,968
Research and development – ongoing[3]	846,275	770,992	658,154	590,356
Research and development – upfront consideration and milestone expenses	47,444	-	209,109	-
Research and development – asset impairment (in-process research and development)	-	-	12,000	-
Selling, general and administrative[3]	326,049	290,549	268,560	237,070
Change in fair value of acquisition-related contingent consideration	18,708	-	(1,914)	-
Total costs and expenses	**1,306,233**	**1,113,146**	**1,203,029**	**868,394**
Income (loss) from operations	**47,248**	**120,335**	**(110,969)**	**118,666**
Other income (expense), net	20,481	20,481	10,707	10,707
Interest expense[4]	(1,188)	(286)	(6,527)	(759)
Unrealized loss on long term investments	(21,911)	-	(2,343)	-
Expense related to senior note conversions	-	-	(54,881)	-
Income (loss) before provision (benefit) for income taxes	**44,630**	**140,530**	**(164,013)**	**128,614**
Provision (benefit) for income taxes	4,200	3,700	(500)	1,409
Net income (loss)	**$40,430**	**$136,830**	**$(163,513)**	**$127,205**
Net income (loss) per share:				
Basic	$0.19	$0.64	$(0.81)	$0.63
Diluted	$0.19	$0.63	$(0.81)	$0.61

1. Product royalty revenues for the nine months ended September 30, 2018 included $139,361 from the sale of Jakavi and $26,231 from the sale of Olumiant. Product royalty revenues for the nine months ended September 30, 2017 included $103,972 from the sale of Jakavi and $4,505 from the sale of Olumiant.
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 Sept 30, 2018	Three Months Ended Sept 30, 2017	Nine Months Ended Sept 30, 2018	Nine Months Ended Sept 30, 2017
GAAP Net Income (Loss)	**$29,176**	**$36,054**	**$40,430**	**$(163,513)**
Adjustments:				
Milestones received from new or existing partners	(20,000)	(15,000)	(120,000)	(105,000)
Upfront consideration and milestones paid to new or existing partners	15,000	-	47,444	209,109
Non-cash stock compensation from equity awards	37,953	34,931	110,783	99,288
Asset impairment (in-process research and development)	-	12,000	-	12,000
Non-cash interest expenses related to convertible notes	305	290	902	5,768
Expense related to senior note conversions	-	-	-	54,881
Changes in fair value of equity investments	9,949	(23,045)	21,911	2,343
Amortization of acquired product rights	5,384	5,384	16,152	16,152
Change in fair value of contingent consideration	4,720	(16,343)	18,708	(1,914)
Tax effect of Non-GAAP adjustments	100	6,810	500	(1,909)
Non-GAAP Net Income	**$82,587**	**$41,081**	**$136,830**	**$127,205**

2018 Financial Guidance Updates

		Current guidance	Previous guidance
Revenue	**GAAP and Non-GAAP Jakafi® net product revenues**	**$1,370 - $1,400 million**	**$1,350 - $1,400 million**
	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 - $1,200 million**	**$1,150 - $1,250 million**
	Non-GAAP Adjustment: Stock-based compensation	$110 - $115 million	No change
	Non-GAAP Adjustment: Upfront consideration and milestones related to collaborations	$47 million	$32 million
	Non-GAAP Research and development expenses	**$993 - $1,038 million**	**$1,008 - $1,103 million**
Selling, General & Administrative Expenses	**GAAP Selling, general and administrative expenses**	**$420 - $440 million**	**$390 - $410 million**
	Non-GAAP Adjustment: Stock-based compensation	$50 - $55 million	No change
	Non-GAAP Selling, general and administrative expenses	**$370 - $385 million**	**$340 - $355 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**

Expected Newsflow

Hervé Hoppenot
Chief Executive Officer

Objectives Before End of 2019

Potential for late-stage development candidates to deliver multiple important updates

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

Pivotal Clinical Updates

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

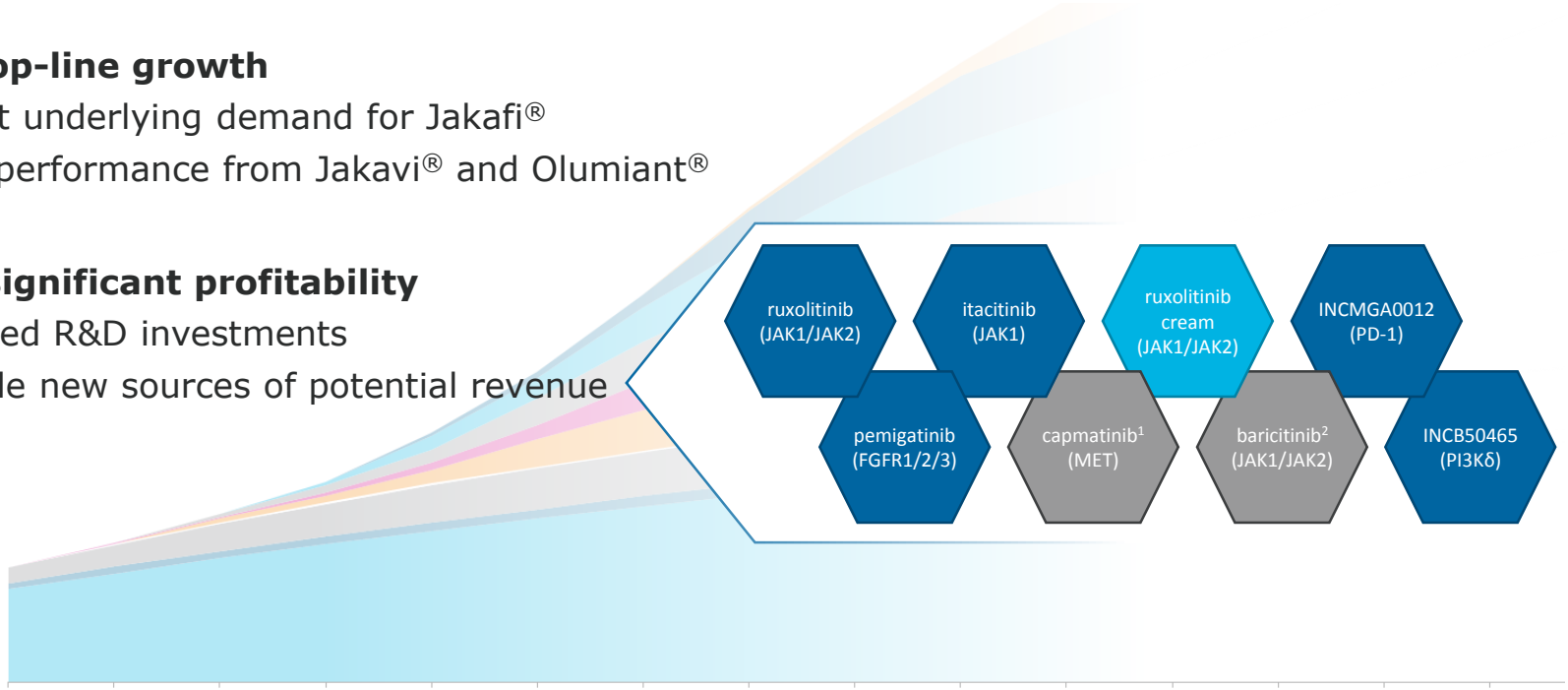
Pivotal Trial Initiations

itacitinib (JAK1)	Phase 3 trial in treatment-naïve chronic GVHD (GRAVITAS-309)
ruxolitinib cream (JAK1/JAK2)	Phase 3 program for atopic dermatitis
ruxolitinib cream (JAK1/JAK2)	Phase 3 program for vitiligo, if Phase 2 is positive
pemigatinib (FGFR1/2/3)	Phase 3 trial in 1L cholangiocarcinoma
pemigatinib (FGFR1/2/3)	Phase 3 trial in 1L bladder cancer

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 has the potential to enable registration

Incyte: Building Value through Innovative Medicines

- **Strong top-line growth**
  - Robust underlying demand for Jakafi®
  - Good performance from Jakavi® and Olumiant®
- **Driving significant profitability**
  - Targeted R&D investments
  - Multiple new sources of potential revenue



1. Worldwide rights to capmatinib licensed to Novartis; 2. Worldwide rights to baricitinib licensed to Lilly
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

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