Fourth Quarter and Year-End 2019 Financial and Corporate Update

FEBRUARY 13, 2020

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 potential for three new product approvals for 2020 (namely, pemigatinib, capmatinib and tafasitamab) and additional sources of revenue growth; expectations regarding the timing of effectiveness of the tafasitamab collaboration and whether that collaboration will become effective; expectations regarding the opportunities presented by the tafasitamab collaboration, including with respect to potential magnitude and timing of revenues, top and bottom-line growth, opportunities and ability to capitalize on our commercial capabilities and combination development opportunities; expectations regarding the timing of the MAA submission for tafasitamab; expectations for our LIMBER program; expectations regarding sources of revenue for diversification and long-term growth and whether that growth is sustainable; expectations regarding top-line growth for our current revenue sources; expectations relating to Jakafi for patient demand in MF and PV as well as continued momentum in our acute GVHD launch; expectations regarding our opportunities for additional near-term revenue growth and readiness for potential launches in the U.S. for tafasitamab and pemigatinib; expectations regarding the timing of the receipt or presentation of clinical trial results for various of our and our collaborative partners' product candidates, including without limitation the Phase 3 trial results of ruxolitinib cream for the treatment of atopic dermatitis; expectations regarding the timing of FDA decisions for our and our collaborative partners' product candidates and related product launches of any approved product candidates; expectations regarding the sharing of clinical trial data for various of our and our collaborative partners' product candidates with the FDA; expectations regarding the commencement of clinical trials and completion of clinical trial enrollment for various of our and our collaborative partners' product candidates; expectations regarding timing of NDA submissions for our and our collaborative partners' product candidates; expectations regarding our target discovery efforts and discovery of new targets; expectations regarding the market opportunities for our and our collaborative partners' product candidates; our 2020 GAAP and Non-GAAP guidance, and expectations underlying that guidance; and our expectations regarding 2020 newsflow items.

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; delays and other issues in obtaining regulatory approval for the tafasitamab collaboration and risks relating to the ability to satisfy conditions to effectiveness of the MorphoSys collaboration agreement; 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; unexpected variations in the demand for our products; unexpected price regulation or limitations on reimbursement or coverage for our products; sales, marketing, manufacturing and distribution requirements, including our ability to successfully commercialize and build commercial infrastructure for any new products that become approved; 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 September 30, 2019. We disclaim any intent or obligation to update these forward-looking statements.

YEAR-END REVIEW

HERVÉ HOPPENOT – CEO

STRONG EXECUTION ACROSS THE BUSINESS

Delivery on portfolio promise

- Successfully launched Jakafi® in SR acute GVHD
  - Positive Phase 3 REACH2 results[1]
- NDA submissions for pemigatinib and capmatinib[2]
- Positive Phase 3 results from ruxolitinib cream in AD

Execution on capital allocation strategy

- MorphoSys collaboration for tafasitamab[3]
  - Capitalizes on commercial and development expertise
  - Opportunity to drive additional growth
- $2.1 billion in cash and equivalents at end Q4 2019 ($1.2 billion pro forma[4])

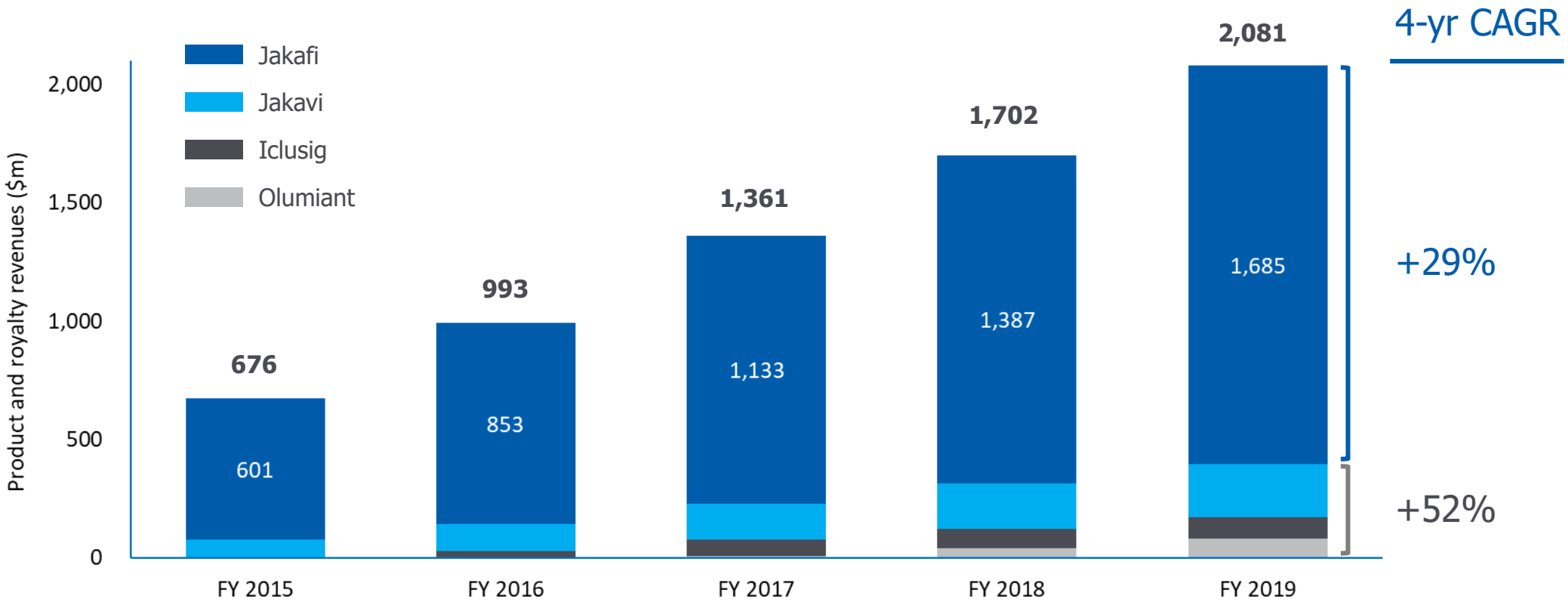
Robust top-line growth

	FY 2019 Revenues	FY 2019 Y/Y Growth
Jakafi® ruxolitinib (tablets)	$1,685M	+21%
JAKAVI® ruxolitinib	$226M	+16%
ICLUSIG™ (ponatinib) tablets	$90M	+13%
olumiant® (baricitinib) tablets	$80M	+101%

SR acute GVHD = steroid-refractory acute graft-versus-host disease; AD = atopic dermatitis. Jakafi (ruxolitinib) is approved by the FDA for the treatment of steroid-refractory acute GVHD in adult and pediatric patients 12 years and older
1. Development of ruxolitinib in GVHD in collaboration with Novartis. 2. Worldwide rights to capmatinib licensed to Novartis. 3. Development and U.S. commercialization of tafasitamab in collaboration with MorphoSys, subject to clearance by antitrust authorities. 4. Pro forma, assuming $900 million collaboration upfront payments to MorphoSys upon the collaboration agreement becoming effective.

REVENUE MOMENTUM CONTINUES

FOUR SOURCES PROVIDING STRONG GROWTH



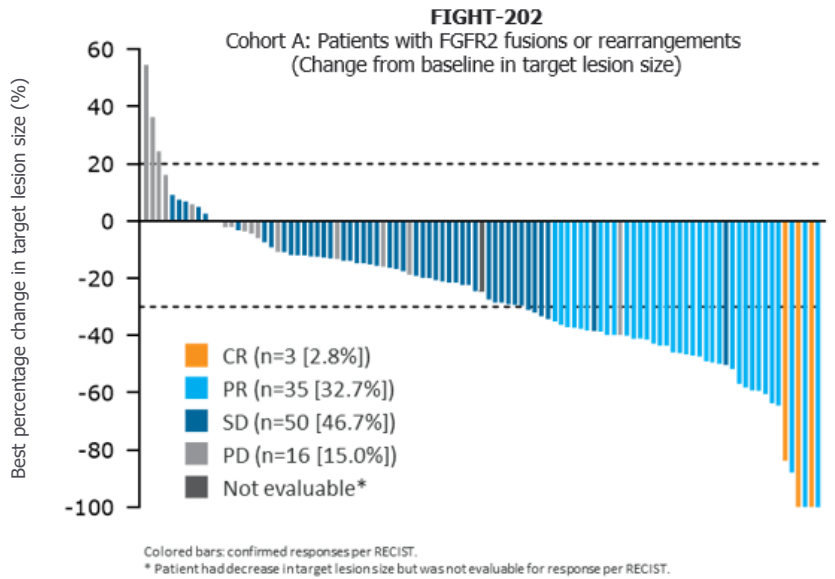
Jakavi (ruxolitinib) licensed to Novartis ex-US, Olumiant (baricitinib) licensed to Lilly worldwide; these brands are trademarks of Novartis (Jakavi) and Lilly (Olumiant). Iclusig (ponatinib) is a registered trademark of ARIAD.

PRODUCT CANDIDATES CURRENTLY UNDER FDA REVIEW

OPPORTUNITIES TO ADD TWO ADDITIONAL SOURCES OF GROWTH

pemigatinib (FGFR)

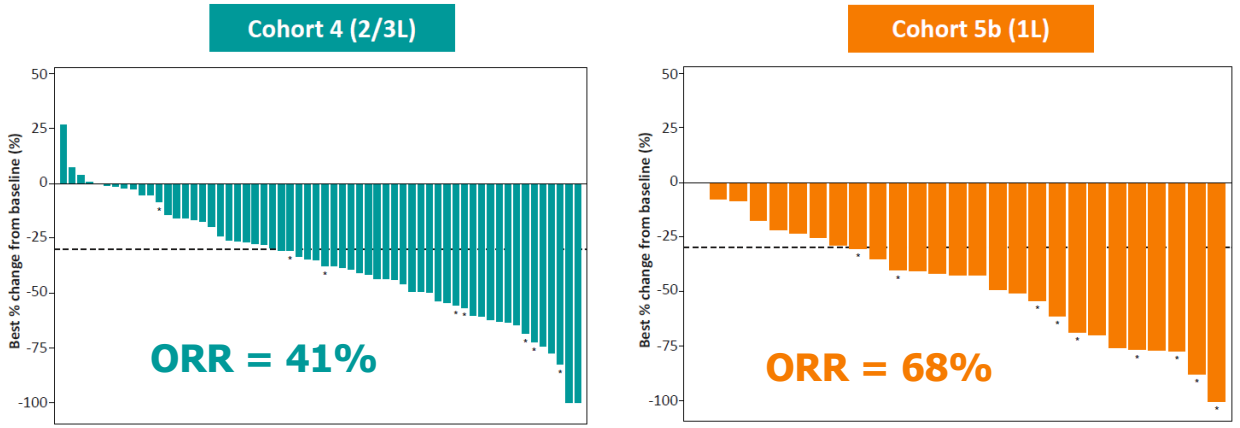
- Cholangiocarcinoma as first potential indication[1]
- NDA (US) PDUFA date May 30, 2020
- MAA (EU) submitted late 2019



Vogel et al, ESMO 2019

capmatinib (MET)[2]

- METΔex14 mutations in lung cancer; 3–4% of NSCLC patients
- NDA (US) submitted by Novartis in 2019; Priority Review granted
- Incyte economics
  - 12-14% royalties on global net sales by Novartis
  - >$500 million potential milestones



Wolf et al, ASCO 2019

1. NDA for pemigatinib based on data from FIGHT-202 trial in patients with advanced/metastatic or surgically unresectable cholangiocarcinoma including FGFR2 translocations who failed previous therapy.
2. capmatinib (INC280) is an investigational, oral, highly potent and selective MET inhibitor licensed to Novartis by Incyte Corporation in 2009.

GLOBAL TAFASITAMAB COLLABORATION

COMPELLING STRATEGIC RATIONALE, STRONG COMMERCIAL FIT

- ✓ Provides an important potential source of revenue diversification to Incyte
- ✓ Potential to significantly enhance growth profile
- ✓ Opportunity to capitalize on Incyte's commercial capabilities in hematology in the U.S. and in Europe
- ✓ Expected to provide additional combination development opportunities with parsaclisib (PI3Kδ)

U.S. Opportunity

- Incyte has established development and commercial expertise and capabilities in hematology
- BLA under review, if approved:
  - Co-commercialization with MorphoSys
  - 50:50 profit split

Ex-U.S. Opportunity

- European development & commercial operations, and Japanese development team, already in place
- MAA submission anticipated mid-2020, if approved:
  - Incyte to exclusively commercialize
  - Tiered royalties to MorphoSys

The effectiveness of the collaboration agreement is conditioned on the early termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 as well as clearance by the German and Austrian antitrust authorities.

KEY PRIORITIES FOR 2020

2020 Development priorities

- Potential for three new product approvals
  - pemigatinib
  - tafasitamab[1]
  - capmatinib[2]
- Submit NDA for ruxolitinib cream in AD
- Progress LIMBER initiative
  - Initiate pivotal trial of ruxolitinib in combination with parsaclisib
  - Deliver initial once-a-day ruxolitinib BA/BE data

2020 Commercial priorities

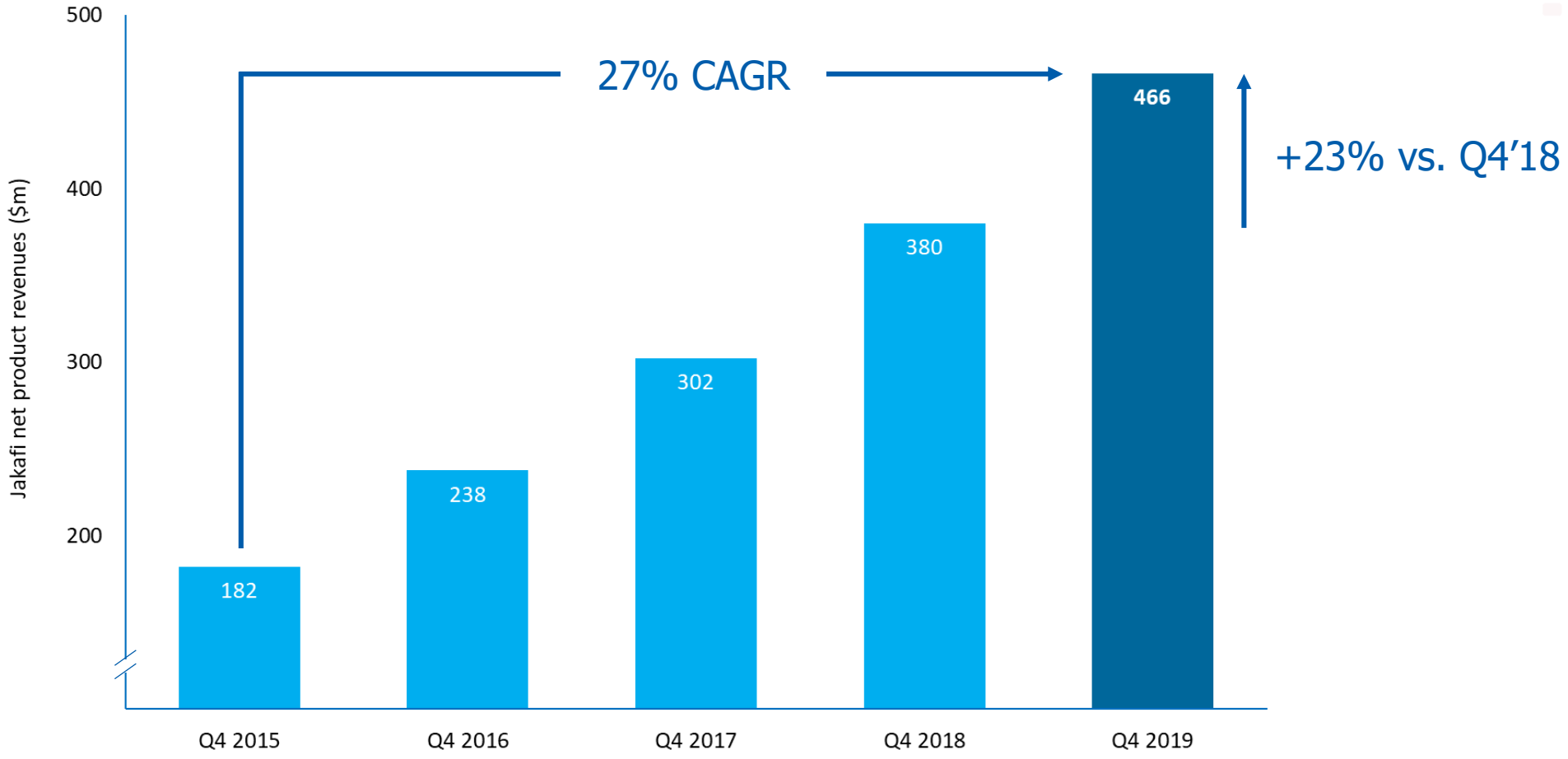
- Continue to drive Jakafi® growth
- Ensure successful launch of pemigatinib and tafasitamab[1]

LIMBER = Leadership In MPNs BEyond Ruxolitinib; BA/BE = bioavailability/bioequivalence.
1. Development and U.S. commercialization of tafasitamab in collaboration with MorphoSys, subject to clearance by antitrust authorities. 2. Worldwide rights to capmatinib licensed to Novartis.

U.S. COMMERCIAL UPDATE

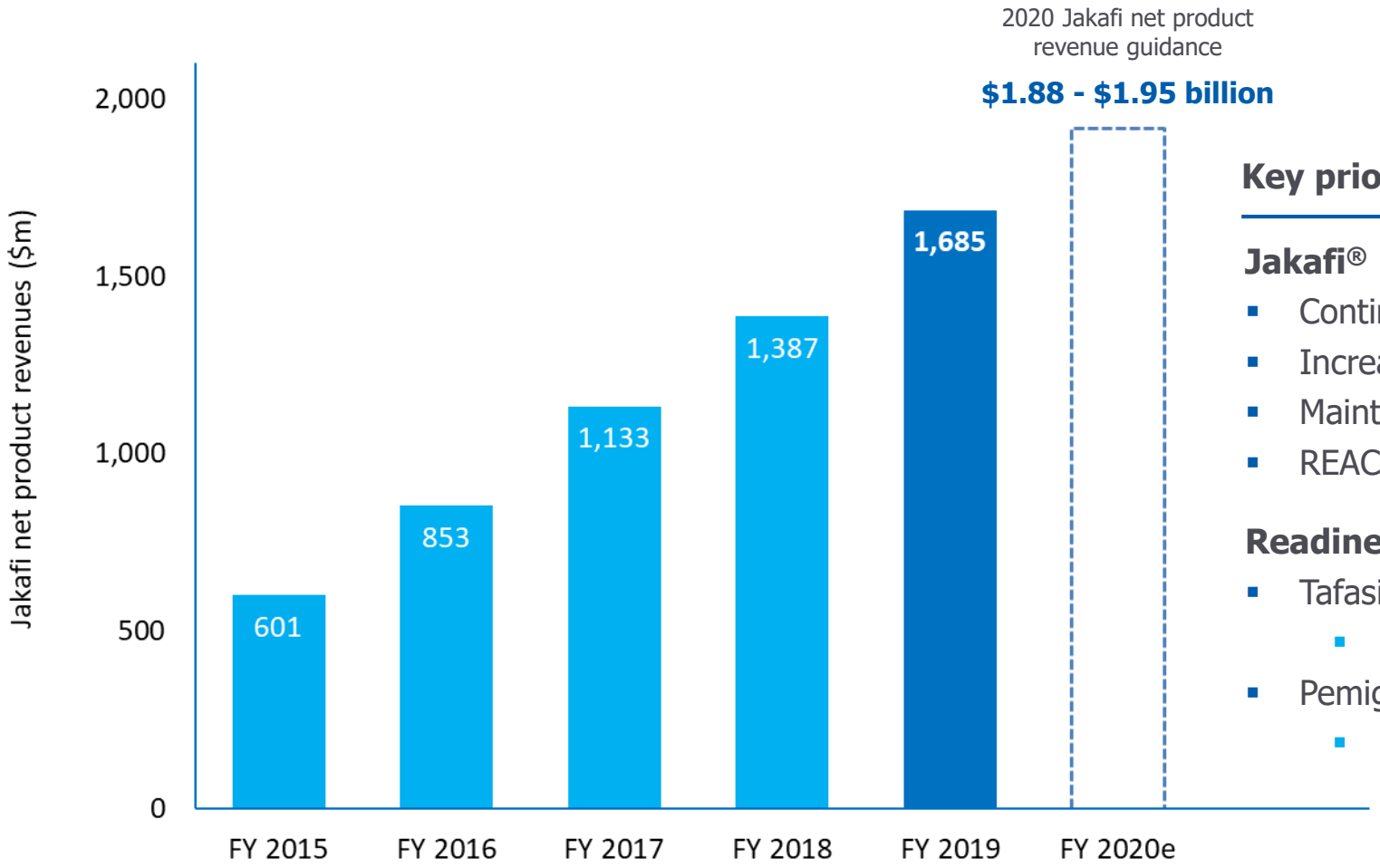
BARRY FLANNELLY – GENERAL MANAGER, US

STRONG GROWTH FROM JAKAFI® IN Q4 2019



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.

2020 OUTLOOK: CONTINUED JAKAFI® PERFORMANCE



Key priorities for 2020

Jakafi®

- Continue growth in total patients treated in myelofibrosis
- Increase patient education in polycythemia vera
- Maintain momentum in acute GVHD launch
- REACH3 results (chronic GVHD) expected H2 2020[1]

Readiness for potential launches in the U.S.

- Tafasitamab[2]
  - Capitalize on expertise and capabilities in hematology
- Pemigatinib
  - Targeted effort for rare mutation in cholangiocarcinoma

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.

1. Development of ruxolitinib in GVHD in collaboration with Novartis. 2. Development and U.S. commercialization of tafasitamab in collaboration with MorphoSys, subject to clearance by antitrust authorities.

CLINICAL DEVELOPMENT

STEVEN STEIN – CHIEF MEDICAL OFFICER

2019 DEVELOPMENT SCORECARD

Planned regulatory updates

- ruxolitinib — Achieve FDA approval for steroid-refractory acute GVHD (REACH1)[1] ✓
- pemigatinib — Submit NDA for cholangiocarcinoma (FIGHT-202) ✓
- capmatinib[2] — NDA for NSCLC to be submitted by Novartis ✓

Planned pivotal clinical updates

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

Planned pivotal trial initiations

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

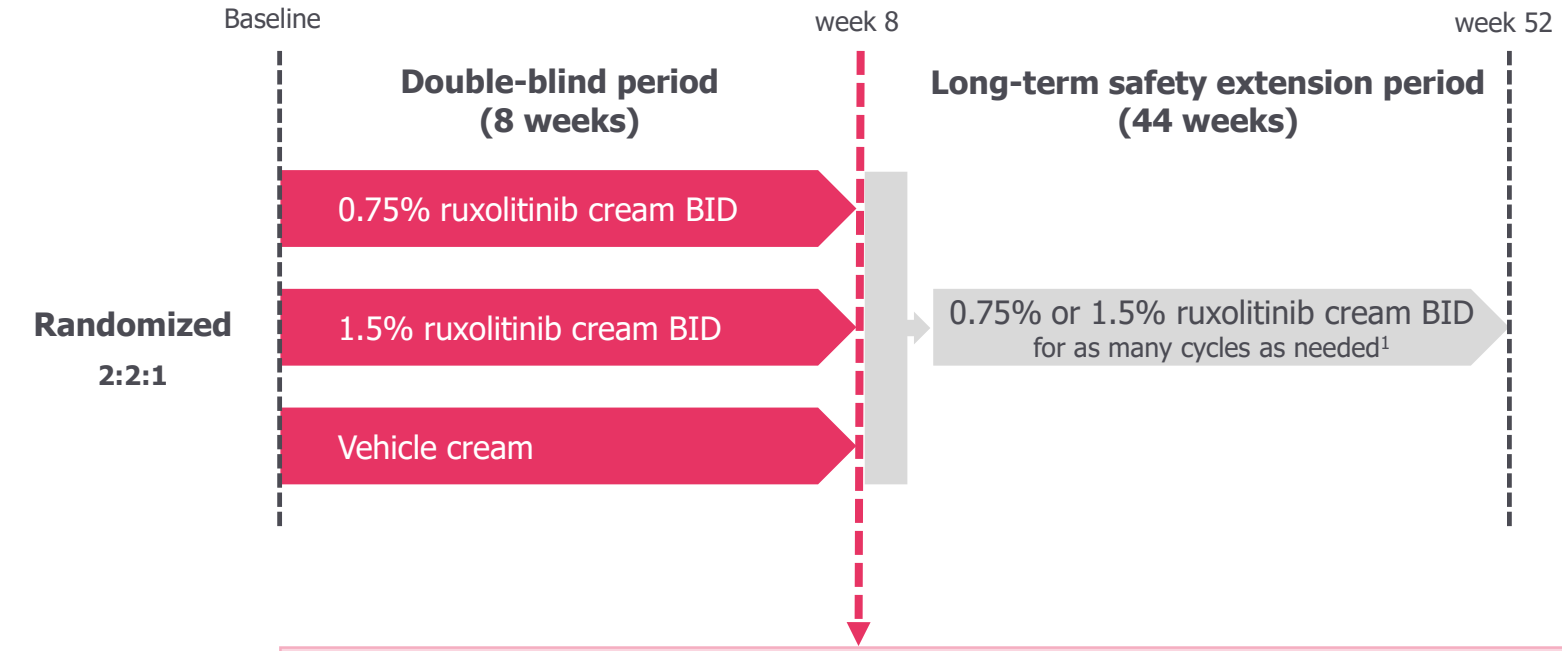
1. Development of ruxolitinib in GVHD in collaboration with Novartis. 2. Worldwide rights to capmatinib licensed to Novartis.
3. Worldwide rights to baricitinib licensed to Lilly. 4. FIGHT-201 and FIGHT-202 have the potential to enable product registration.

RUX CREAM: SUCCESSFUL PHASE 3 IN ATOPIC DERMATITIS

SECOND PHASE 3 RESULTS EXPECTED IN Q1; NDA SUBMISSION EXPECTED Q4 2020

TRuE-AD2 design summary

Age 12 to 75 years
Atopic dermatitis duration ≥ 2 years
IGA score of 2 to 3*
% BSA (excl. scalp) of 3% to 20%*
At least 1 target lesion of ≥ 10cm^2



True-AD 2
Topical Ruxolitinib Evaluation in Atopic Dermatitis

✓ **Primary endpoint met**
% pts with IGA-TS
IGA score of 0 or 1 with ≥ 2 grade improvement

*At week 8, patients with IGA score of 0 to 4 and % BSA of 0% to 20% were allowed to enroll in long-term safety extension period.
[1]During long-term safety extension period, site visits occur every 4 weeks. No treatment if there is clearance of lesions; with recurrence, patients will receive either 0.75% or 1.5% ruxolitinib cream BID.

TAFASITAMAB: CLINICAL DEVELOPMENT OVERVIEW

NEAR-TERM OPPORTUNITIES IN DLBCL AND OTHER NON-HODGKIN LYMPHOMAS

	Study	Arms	Status	Proof-of-Concept	Pivotal
r/r DLBCL	**L-MIND** (~80 pts)	+ lenalidomide	Breakthrough Therapy BLA submitted Dec 2019	**Primary Endpoint: ORR** (primary analysis presented at ICML 2019)	
r/r DLBCL	**B-MIND** (~450 pts)	+ bendamustine vs bendamustine + rituximab	Primary completion expected 2022	**Primary Endpoint: PFS** (IDMC futility passed November 2019)	
1L DLBCL	**FIRST-MIND** (~60 pts)	+ R-CHOP or + lenalidomide + R-CHOP	Primary completion expected 2020	**Safety**	Pivotal trial planned to start in 2020
r/r CLL/NHL	**COSMOS** (~24 pts)	+ idelalisib or venetoclax	Completed	**Safety** (primary analysis presented at ASH 2019)	
r/r CLL/NHL	-	+ parsaclisib	Initiation expected 2020	**Efficacy and safety trial planned**	

Development and U.S. commercialization of tafasitamab in collaboration with MorphoSys, subject to clearance by antitrust authorities.

LIMBER: MULTIPLE UPCOMING UPDATES

KEY DEVELOPMENT PRIORITY TARGETING IMPROVED PATIENT OUTCOMES

Once-a-day ruxolitinib — BA/BE trial ongoing, initial data expected 2020; launch expected 2022

JAK combinations targeting improved efficacy

- **PI3Kδ** — PoC achieved; PoC data and pivotal trial initiation expected in 2020
- **PIM** — PoC trial underway, data expected in 2020
- **BET** — PoC trial in 2020

JAK combination to alleviate anemia

- **ALK2** — PoC trial in 2020

FINANCIAL RESULTS

CHRISTIANA STAMOULIS – CFO

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, 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 and twelve months ended December 31, 2019 and 2018 and to release both GAAP and Non-GAAP financial guidance for the year ending December 31, 2020 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: FOURTH QUARTER 2019

$ millions	Q4 2019 GAAP	Q4 2018 GAAP	Q4 2019 Non-GAAP[1]	Q4 2018 Non-GAAP[1]	*YoY Change Non-GAAP*
Net product revenues	**491**	**399**	**491**	**399**	***23%***
Jakafi	466	380	466	380	*23%*
Iclusig	24	19	24	19	*27%*
Royalties	**89**	**69**	**89**	**69**	***28%***
Jakavi	65	55	65	55	*17%*
Olumiant	24	14	24	14	*70%*
Total product and royalty revenues	**579**	**468**	**579**	**468**	***24%***
Milestones and contract revenues	-	60	-	60	
Total revenues	**579**	**528**	**579**	**528**	***10%***
Costs and expenses	**484**	**446**	**434**	**396**	***10%***
COGS	32	26	27	21	*27%*
R&D	313	304	284	279	*2%*
R&D – ongoing	310	299	282	274	*3%*
% total revenues	*54%*	*57%*	*49%*	*52%*	
R&D – upfront and milestones	3	5	3	5	
SG&A	136	108	123	97	*27%*
% total revenues	*24%*	*21%*	*21%*	*18%*	
Change in fair value of contingent consideration	3	7	-	-	
Operating income	**95**	**82**	**146**	**132**	***10%***
% total revenues	*16%*	*16%*	*25%*	*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.

FINANCIAL HIGHLIGHTS: FULL YEAR 2019

$ millions	FY 2019 GAAP	FY 2018 GAAP	FY 2019 Non-GAAP[1]	FY 2018 Non-GAAP[1]	*YoY Change Non-GAAP*
Net product revenues	**1,775**	**1,467**	**1,775**	**1,467**	***21%***
Jakafi	1,685	1,387	1,685	1,387	*21%*
Iclusig	90	80	90	80	*13%*
Royalties	**306**	**235**	**306**	**235**	***30%***
Jakavi	226	195	226	195	*16%*
Olumiant	80	40	80	40	*101%*
Total product and royalty revenues	**2,081**	**1,702**	**2,081**	**1,702**	***22%***
Milestones and contract revenues	78	180	78	180	
Total revenues	**2,159**	**1,882**	**2,159**	**1,882**	***15%***
Costs and expenses	**1,757**	**1,753**	**1,549**	**1,557**	***(1%)***
COGS	114	94	92	73	*27%*
R&D	1,154	1,198	1,040	1,097	*(5%)*
R&D – ongoing	1,127	1,146	1,013	1,045	*(3%)*
% total revenues	*52%*	*61%*	*47%*	*56%*	
R&D – upfront and milestones	28	52	28	52	
SG&A	469	434	417	387	*8%*
% total revenues	*22%*	*23%*	*19%*	*21%*	
Change in fair value of contingent consideration	20	26	-	-	
Operating income	**402**	**129**	**610**	**325**	***88%***
% total revenues	*19%*	*7%*	*28%*	*17%*	

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.

REVENUE GROWTH EXCEEDS EXPENSE GROWTH

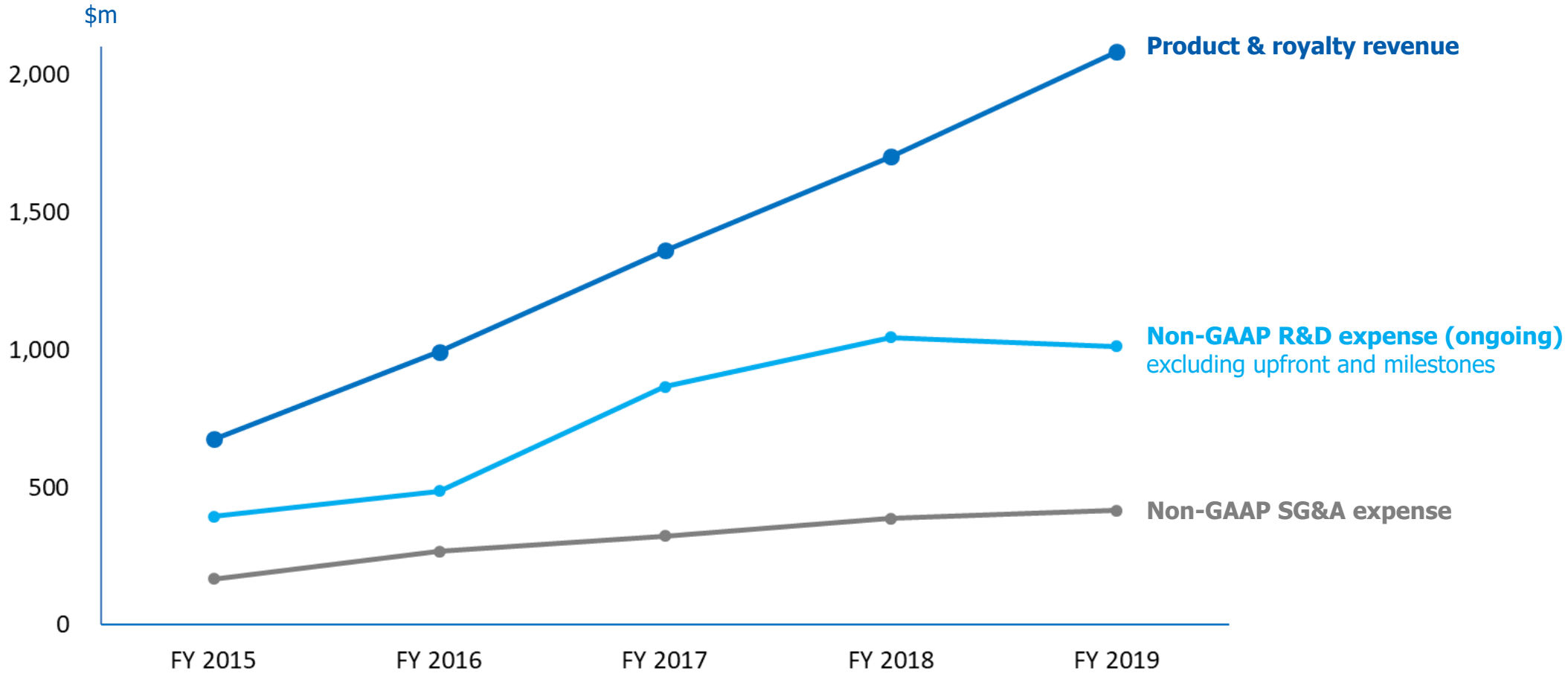


Chart shows Product & royalty revenue, Non-GAAP ongoing R&D expense (excluding upfront and milestones) and Non-GAAP SG&A expense for FY 2015 – FY 2019.

FINANCIAL GUIDANCE: FULL YEAR 2020

$ millions	FY 2020 GAAP	FY 2020 Non-GAAP[1]
Net product revenues		
Jakafi	1,880 – 1,950	1,880 – 1,950
Iclusig	100 – 105	100 – 105
Costs and expenses		
COGS	130 – 135	107 – 112
R&D	1,210 – 1,280	1,079 – 1,149
SG&A	505 – 535	447 – 477
Change in fair value of contingent consideration	25 – 27	0

2020 financial guidance excludes the financial impact of the recently announced collaboration with MorphoSys, which is pending clearance by antitrust authorities.
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.

		1H 2020	2H 2020
GVHD	**ruxolitinib**[1] *steroid-refractory cGVHD*		Phase 3 results (REACH3)
Derm	**ruxolitinib cream** *atopic dermatitis*	Phase 3 results (TRuE-AD1/AD2) ✓	**NDA submission**
LIMBER	**PI3Kδ+ruxolitinib** *myelofibrosis*	PoC data	Phase 3 initiation
	PIM+ruxolitinib *myelofibrosis*		PoC data
	once-a-day ruxolitinib *clinical pharmacology*		Initial BA/BE data
T/T	**tafasitamab**[2] *DLBCL*	**MAA submission**	**FDA decision**
	pemigatinib *cholangiocarcinoma*	**FDA decision** (PDUFA May 30)	
	pemigatinib *bladder cancer*		Updated Phase 2 data
	capmatinib[3] *NSCLC*		**FDA decision**
	parsaclisib *NHL*		Updated Phase 2 data
I/O	**INCMGA0012** *solid tumors*		Phase 2 data (anal cancer)
	INCB86550 *solid tumors*		Initial clinical data

Expected newsflow throughout 2020

Incyte | SOLVE ON.

1. Development of ruxolitinib in GVHD in collaboration with Novartis. 2. Development and U.S. commercialization of tafasitamab in collaboration with MorphoSys, subject to clearance by antitrust authorities.
3. Worldwide rights to capmatinib licensed to Novartis. T/T = targeted therapies; I/O = immunotherapies.

FINANCIAL BACK-UP SLIDES

2019 AND 2018 NON-GAAP RECONCILIATION

$ millions	Three Months Ended Dec 31, 2019	Three Months Ended Dec 31, 2018	Twelve Months Ended Dec 31, 2019	Twelve Months Ended Dec 31, 2018
GAAP operating income	**95**	**82**	**402**	**129**
Adjustments				
Non-cash stock compensation from equity awards	42	37	167	148
Amortization of acquired product rights	5	5	22	22
Change in fair value of contingent consideration	3	7	20	26
Non-GAAP operating income	**146**	**132**	**610**	**325**

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 2019 financial results press release issued on February 13, 2020.

2020 FINANCIAL GUIDANCE NON-GAAP RECONCILIATION

$ millions	GAAP Guidance	Adjustments	Non-GAAP Guidance
Net product revenues			
Jakafi	1,880 – 1,950	-	1,880 – 1,950
Iclusig	100 – 105	-	100 – 105
Costs and expenses			
COGS	130 – 135	Amortization of acquired product rights for Iclusig and stock-based compensation (23)	107 – 112
R&D	1,210 – 1,280	Stock-based compensation (131)	1,079 – 1,149
SG&A	505 – 535	Stock-based compensation (58)	447 – 477
Change in fair value of contingent consideration	25 – 27	Change in fair value of estimated future Iclusig royalties (25 – 27)	0

2020 financial guidance excludes the financial impact of the recently announced collaboration with MorphoSys, which is pending clearance by antitrust authorities.

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