

Washington State Unconstrained Forecast - DRAFT

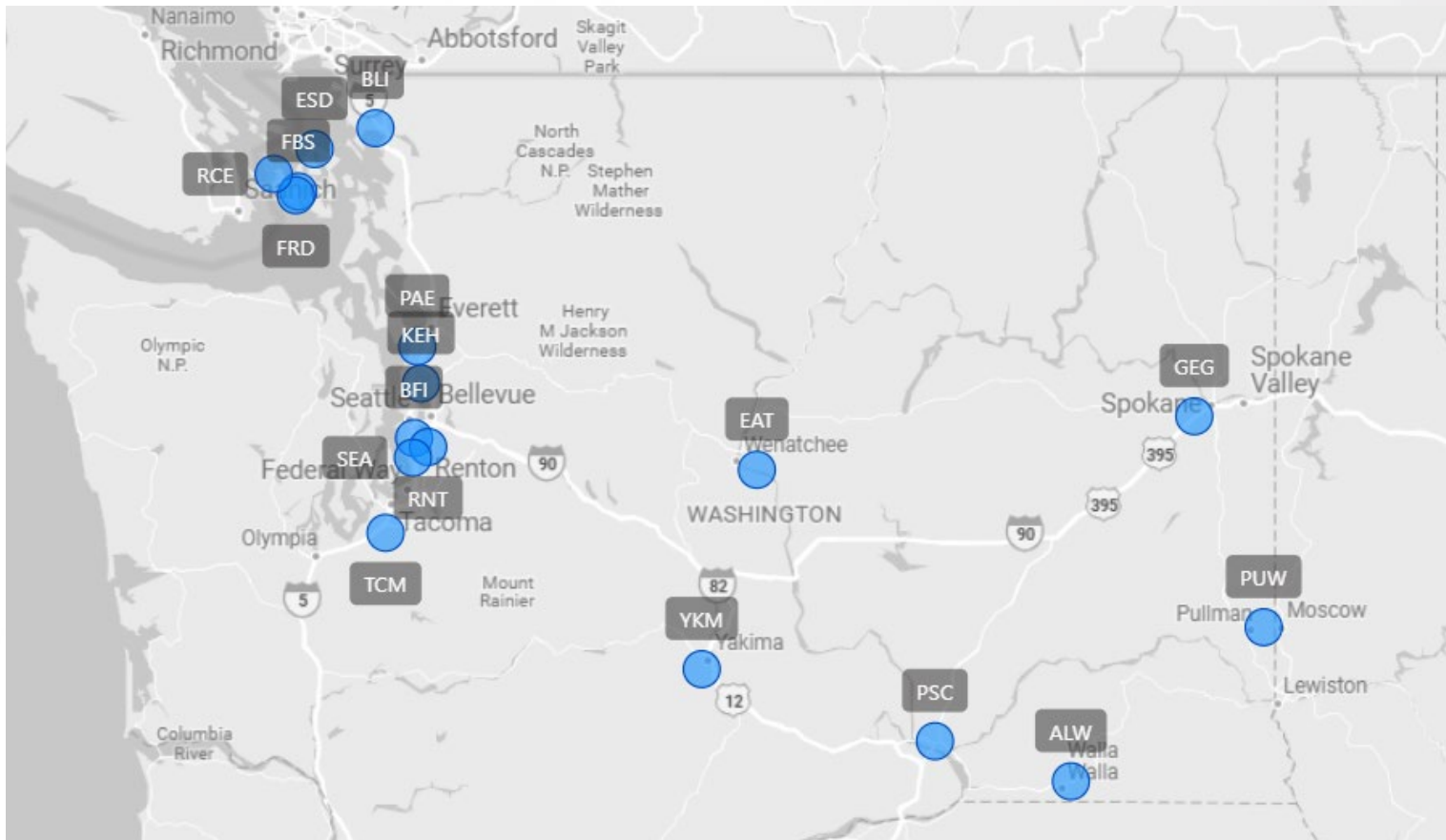
April 28, 2026 | Moses Lake, Washington



COMMERCIAL AVIATION
WORK GROUP

We have developed an unconstrained air travel demand forecast for the State's busiest 17 commercial airports

Washington State – Map of In Scope Airports

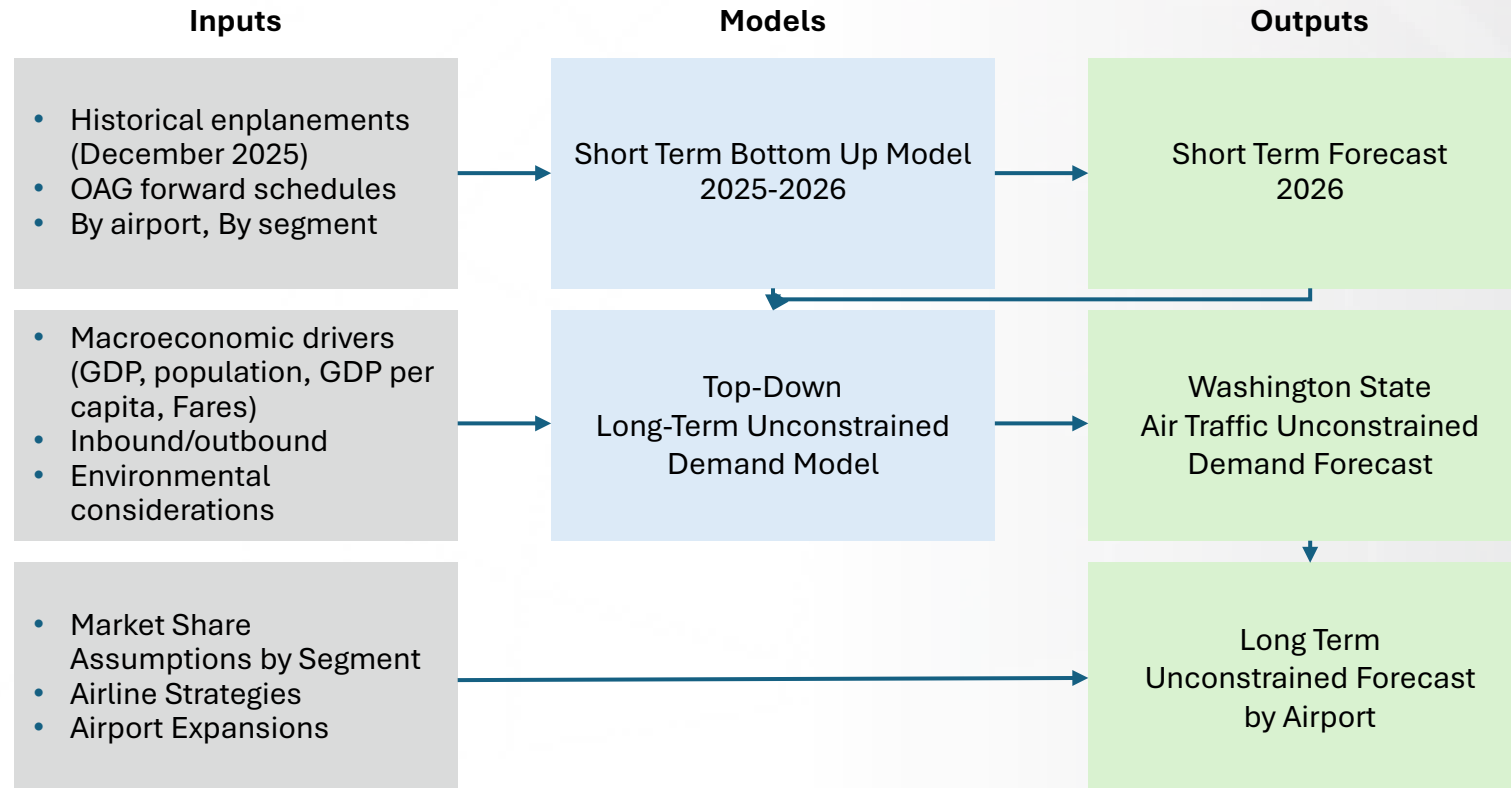


IATA Code	City	2025 epax (m)
SEA	Seattle-Tacoma International	26.317
GEG	Spokane International	2.114
PSC	Tri-Cities	0.528
PAE	Seattle Paine Field International	0.306
BLI	Bellingham International	0.226
PUW	Pullman/Moscow Regional	0.075
EAT	Pangborn Memorial	0.043
YKM	Yakima Air TrmI/McAllister Field	0.046
ALW	Walla Walla Regional	0.039
BFI	Boeing Field/King County	0.030
FRD	Friday Harbor Airport	0.011
TCM	McChord Field	0.000
ESD	Orcas Island	0.009
KEH	Kenmore Air Harbor	0.007
FBS	Friday Harbor Seaplane Base	0.006
RCE	Roche Harbor	0.004
RNT	Renton Municipal	0.001
Total		29.762

Source: BTS T100, SEA Statistics, Steer

The forecast for WA State follows a methodology based on Schedules, Macroeconomic conditions and Market Shares

Approach Overview

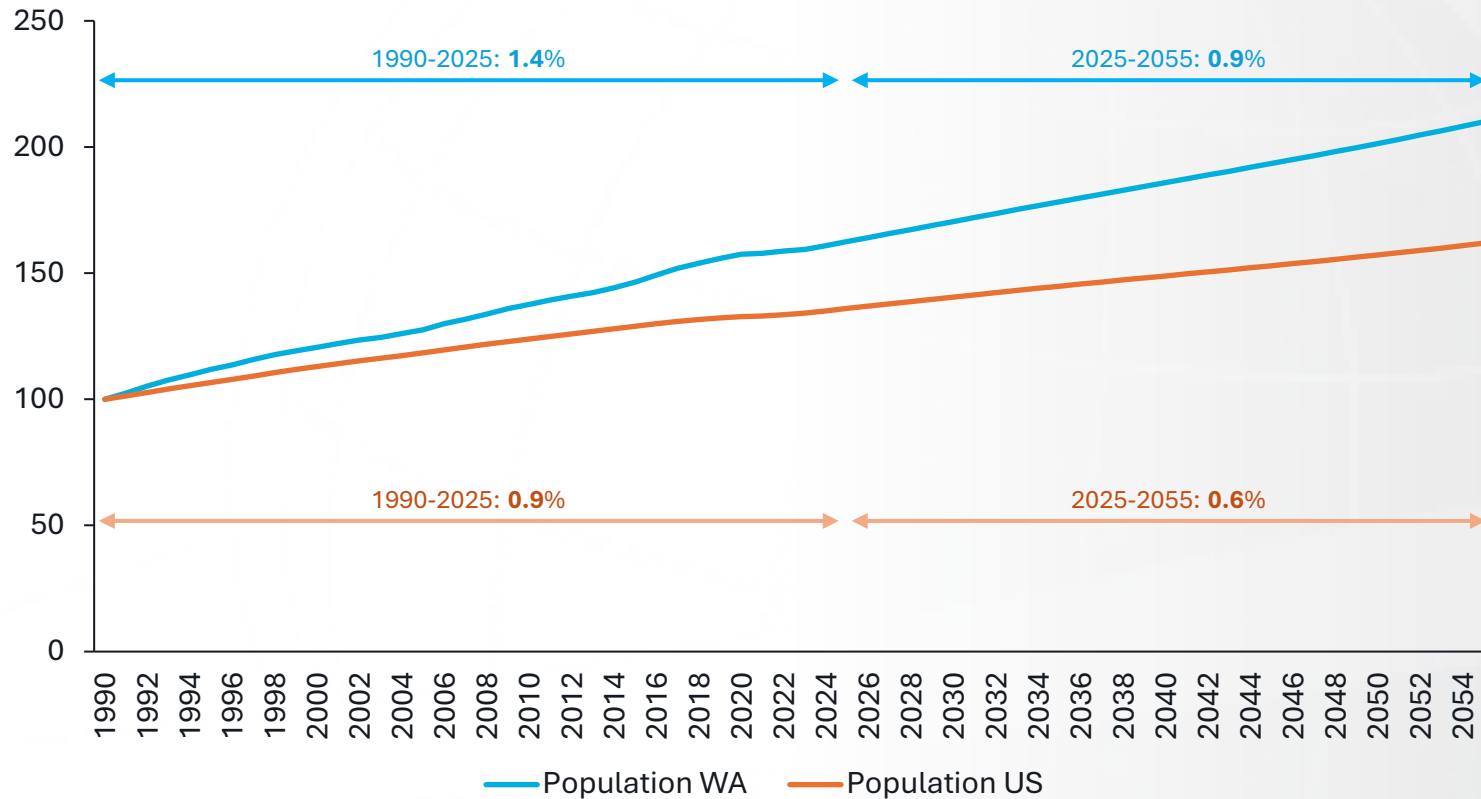


- The methodology used to develop our annual traffic forecast is explained in the following pages which outline:
 - Short-Term Forecast Results & Assumptions (combined)
 - Long-Term Forecast Results
 - Long-Term Forecast Assumptions
- The annual traffic forecast methodology is based on the standard Bottom-Up/Top-Down forecasting approach used at many global airports.
- In the case of the top-down elements of the forecasts, the methodology uses traffic elasticities in combination with selected key drivers for each segment to determine future traffic growth rates.

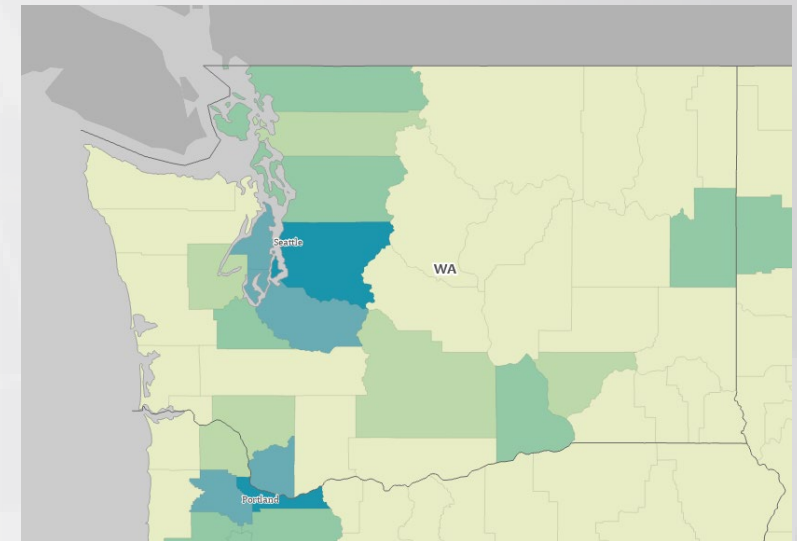
Washington State population accounts for approximately 8m residents and is forecast to exceed US average growth

Washington State Population versus US Population (Historical Figures and Forecast)

Index (1990 = 100)

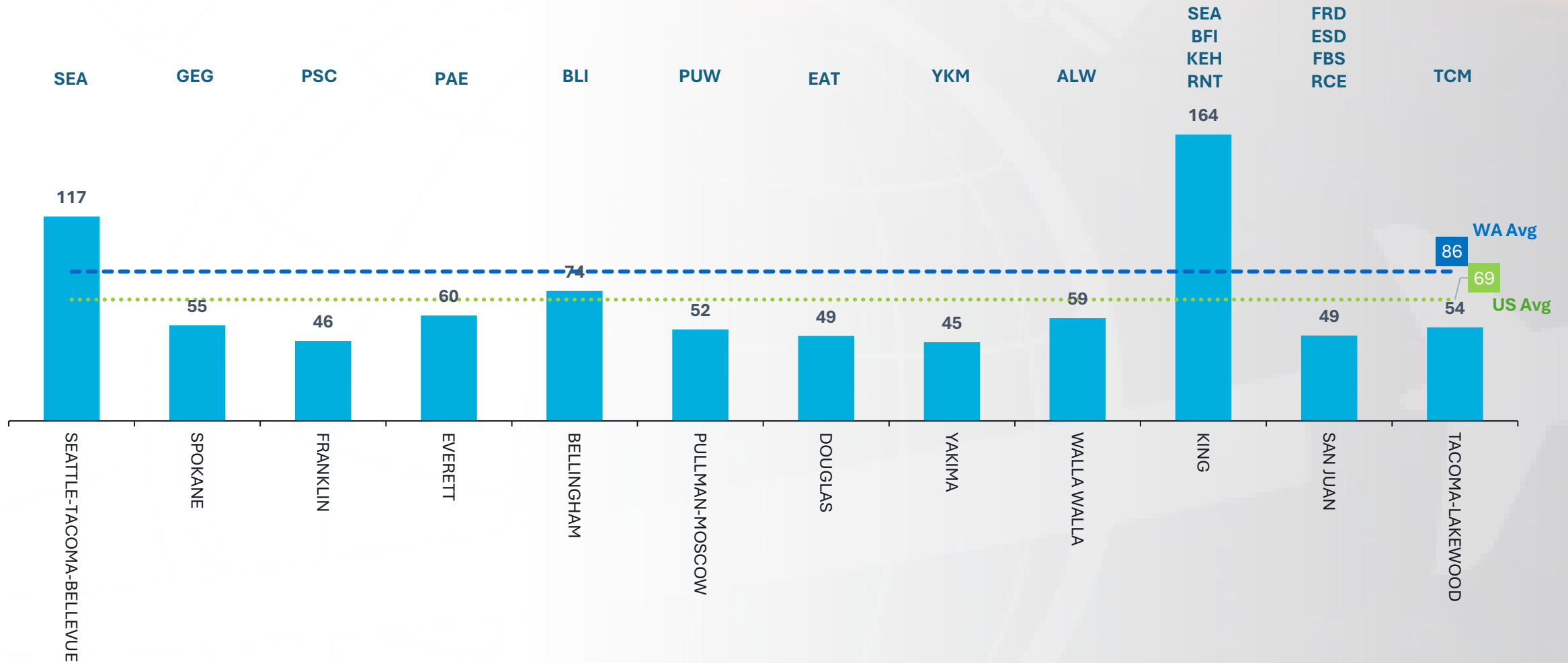


Washington State Population Heatmap



Source: W&P, Steer

WA's above-average economic performance is concentrated in King/Seattle, stimulating regional demand



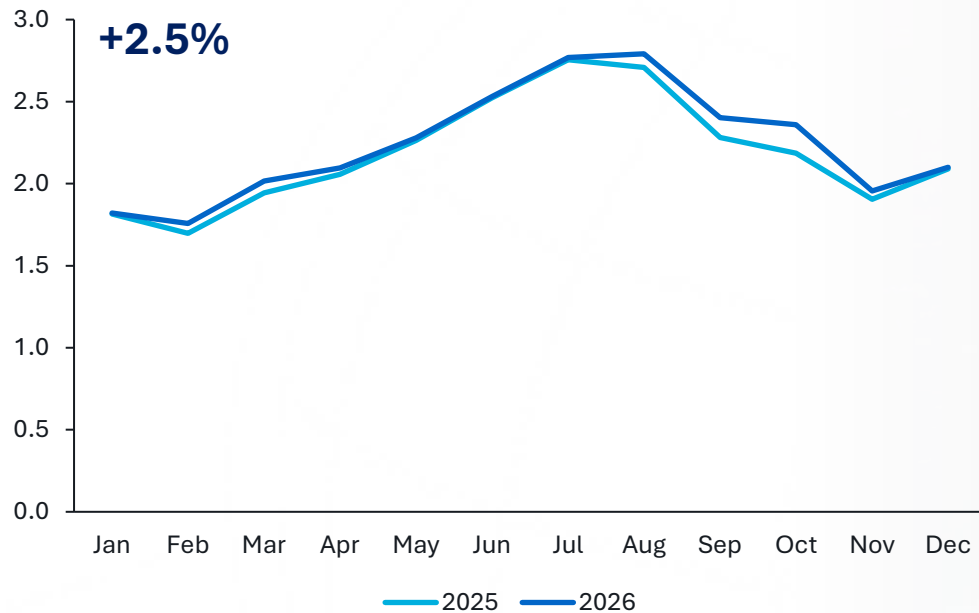
Source: W&P, Steer

steer

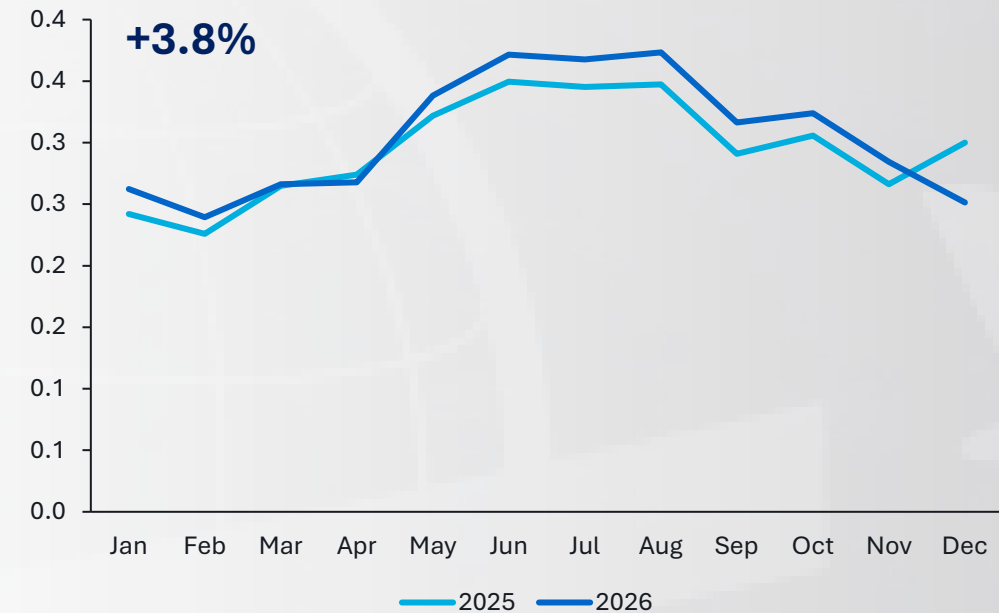


2026 Washington enplanements are expected to grow at 2.7% driven by domestic (2.5%) and international (3.8%)

Monthly Short-Term Forecast – Domestic
Enplanements (m)



Monthly Short-Term Forecast – International
Enplanements (m)

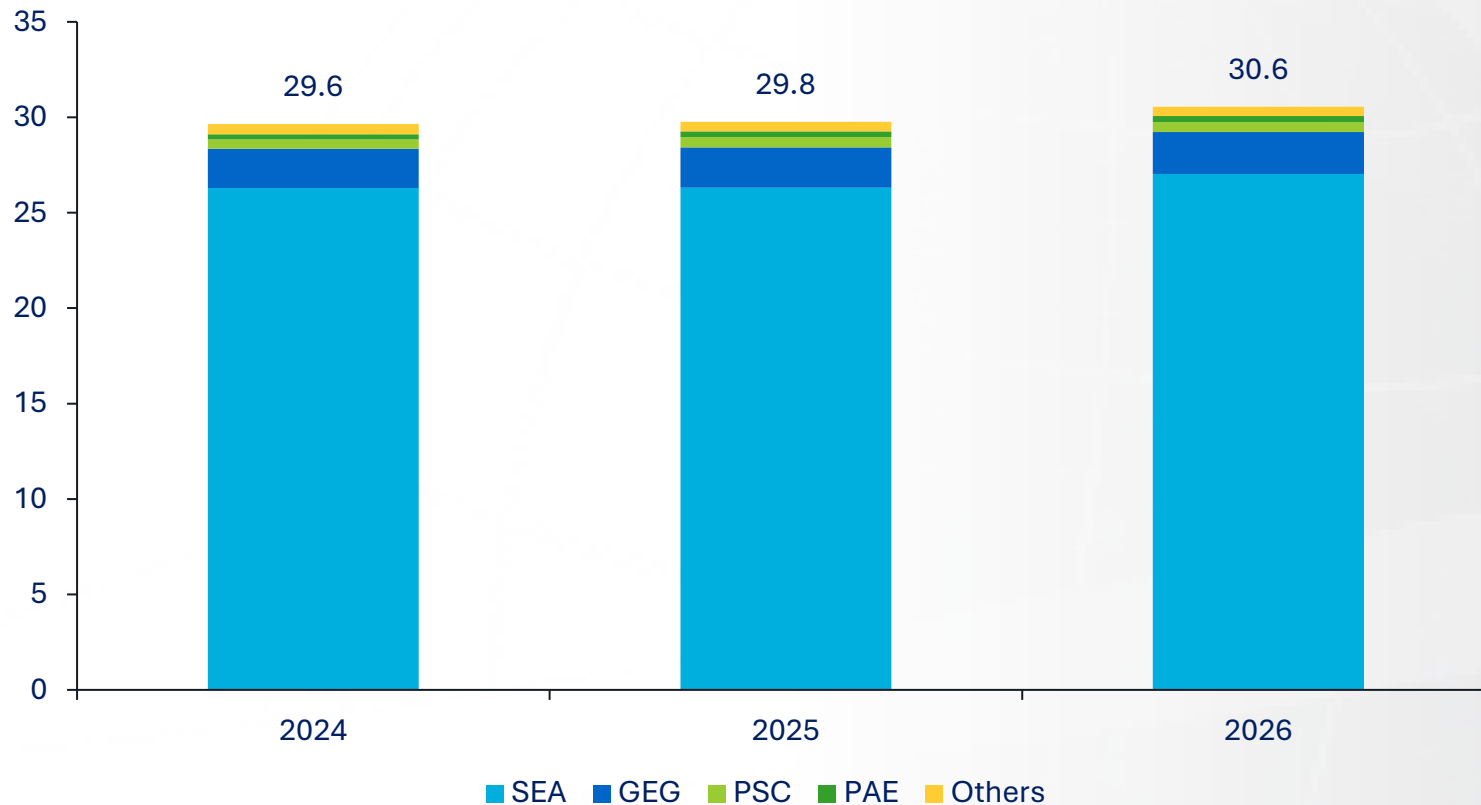


- 2026 Short Term Forecast is based on Schedules extracted the first week of April 2026. Given current geopolitical environment, airlines schedules could still be subject to decreases in Summer 2026 and Winter 26-27.

Source: OAG, T100, SEA, Steer

Washington's 2026 forecast to reach 30.6m enplanements (61.2m passengers) growing 2.7% versus 2025

Short Term Forecast – WA State
Enplanements (m)

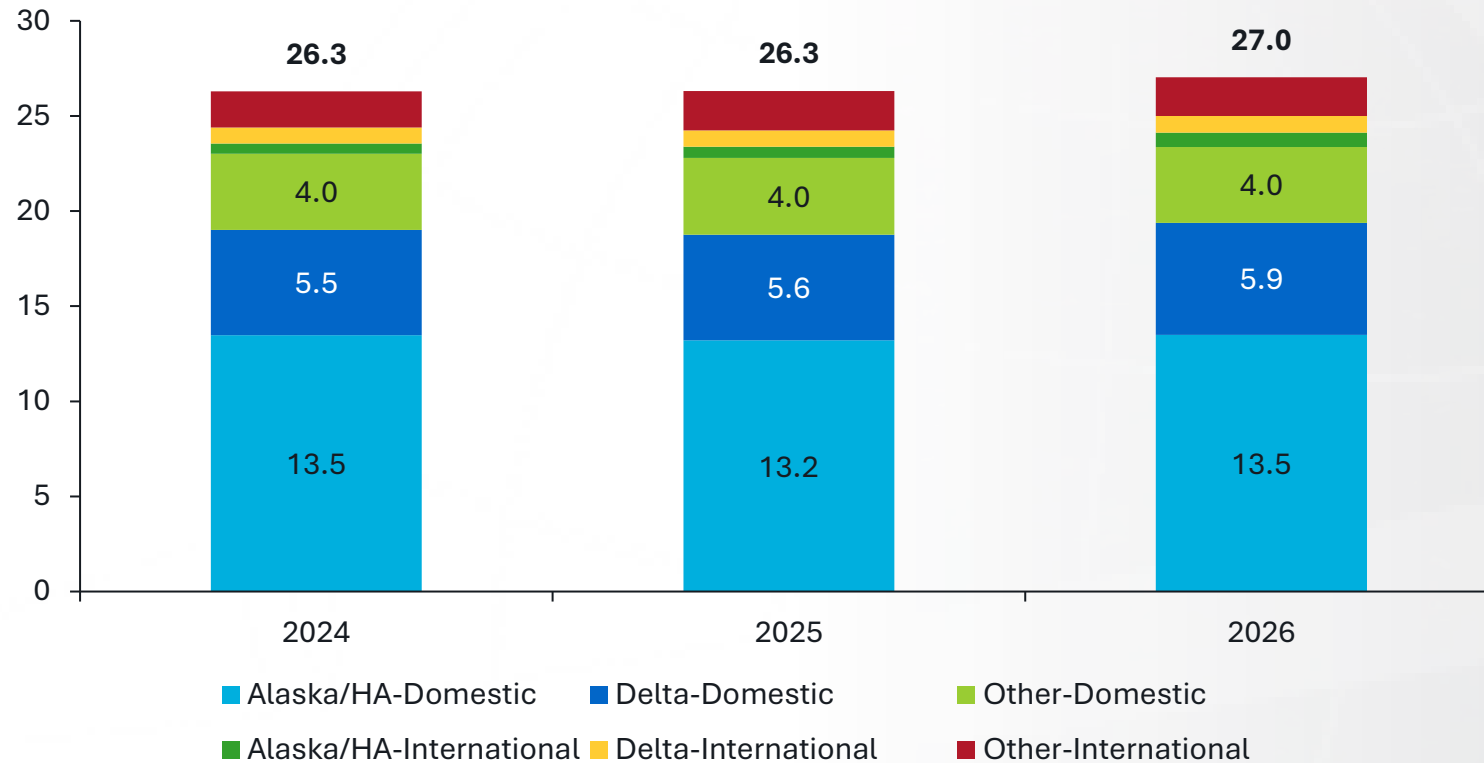


	2024	2025	2026	2026%
SEA	26.3	26.3	27.0	+2.7%
GEG	2.1	2.1	2.2	+3.8%
PSC	0.5	0.5	0.5	(1.1%)
PAE	0.3	0.3	0.3	+3.5%
Others	0.5	0.5	0.5	(1.8%)
Total	29.6	29.8	30.6	2.7%

Source: OAG, T100, SEA, Steer

SEA is assumed to reach 27m enplanements (54m passengers) in 2026, growing 2.7% vs 2025

Short Term Forecast - SEA
Enplanements (m)



By Segment	2026 %
Domestic	+2.6%
International	+3.8%
Total	+2.7%

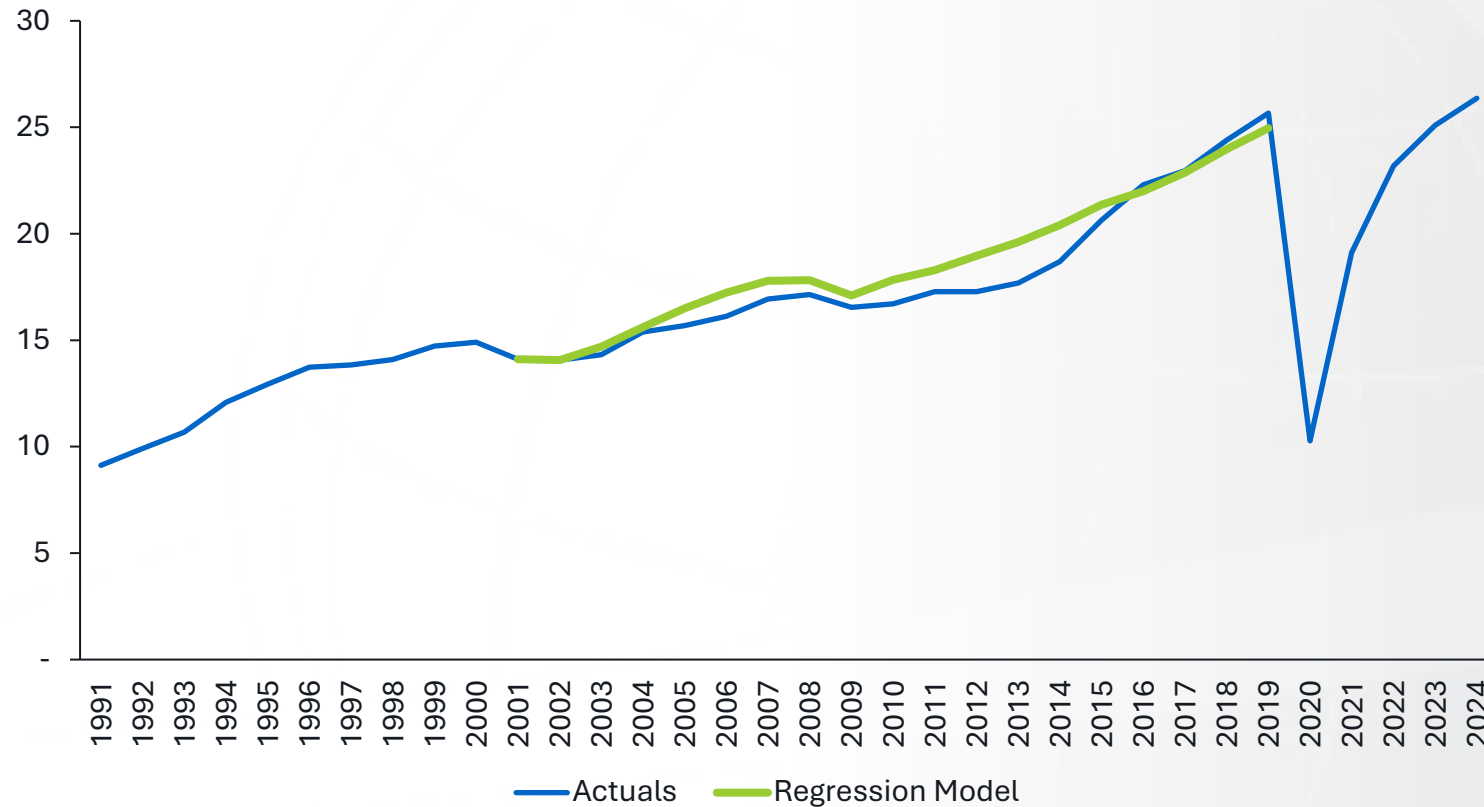
By Airline	2026 %
Alaska/HA-Domestic	+2.2%
Delta-Domestic	+6.0%
Other-Domestic	(1.0%)
Alaska/HA-International	+24.0%
Delta-International	+2.7%
Other-International	(1.6%)
Total	+2.7%

Source: OAG, T100, SEA, Steer

Our regression model based on U.S. GDP reproduces the long-term growth observed in the region

Domestic Regression 2003-2019

Enplanements (m)



- We tested linear time series regression models to understand the relationships between domestic passenger traffic and macroeconomic drivers such as GDP.
- We tested the elasticity estimates against historical traffic, and the selected regression model produced an accurate domestic passenger traffic estimate, tracking the historical traffic trend.

Regression Results

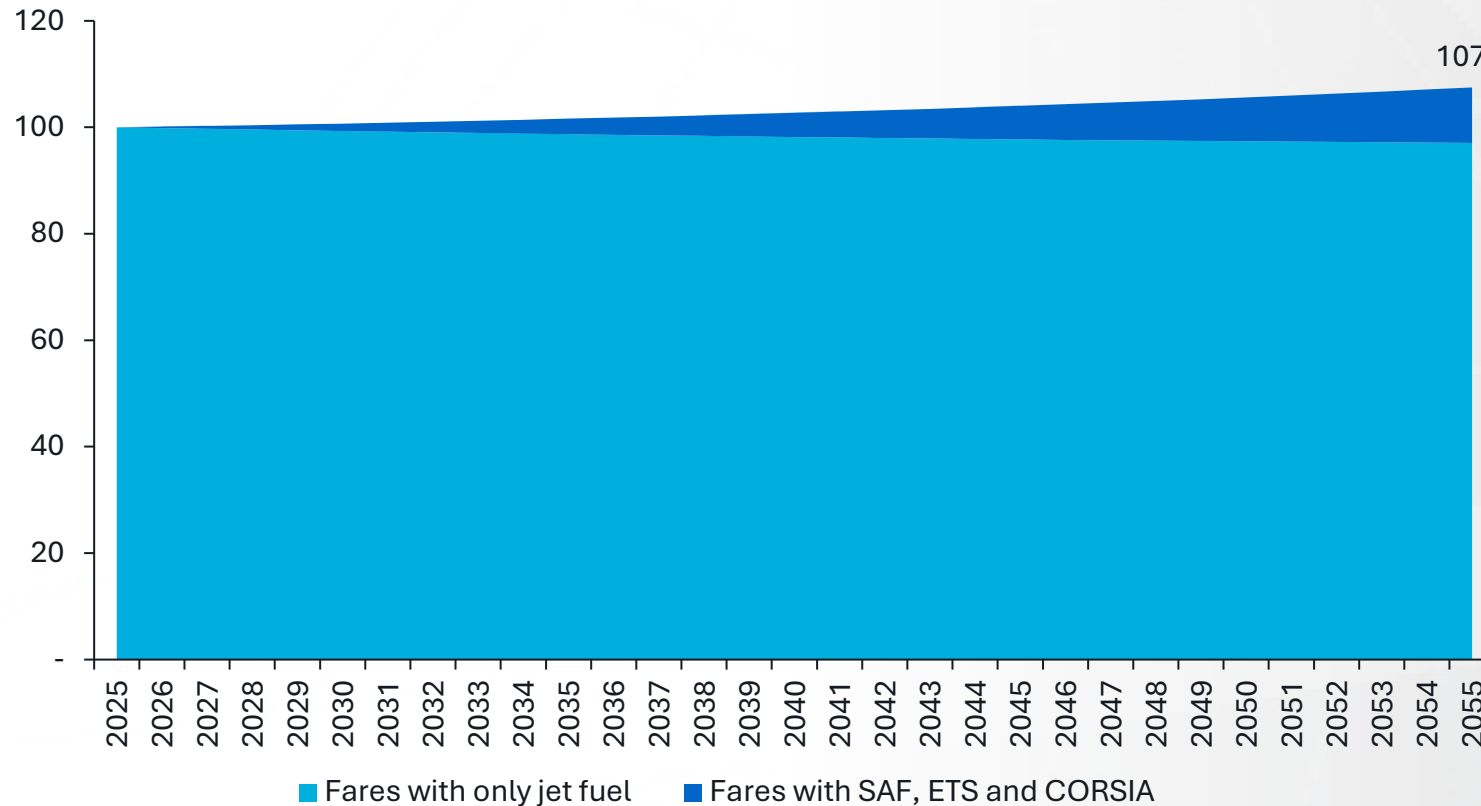
Type of Regression	Linear Log-Log YOY %
Driver	U.S. GDP
Years	2003-2019
R ²	75%
Elasticity to GDP	1.6

Source: BTS T100, IMF, SEA, Steer

Air fares have been included as a driver for long-term demand. Assumed to increase at a CAGR of 0.2% (2025-55)

Fare Change Assumptions 2025-2055

Index 100 = 2025



- Demand for air travel is inversely related to price; demand increases when airfares decrease and decreases when airfares increase.
- Fares are used as an assumption in our model only post bottom-up period (after 2026).
- Fares used for this exercise reflect EIA March 2026 Short Term Update on jet fuel price

Source: Steer analysis

Income elasticities are assumed to decrease over time to account for market maturity

Income and Fares Elasticities Assumptions

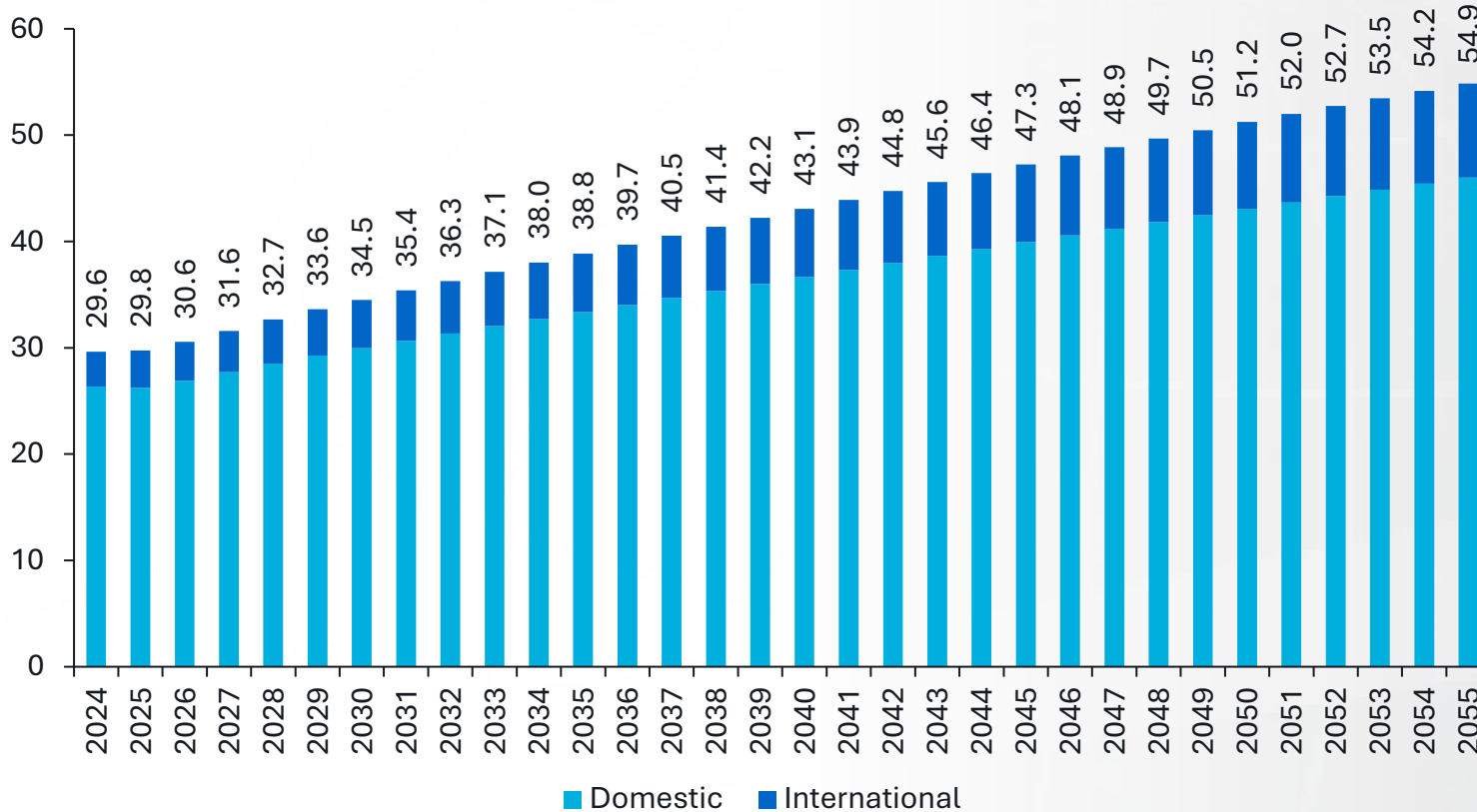
Segment	Driver	2027-35	2035-45	2045-55
Domestic	Elasticity to GDP (Income Elasticity)	1.3	1.1	0.9
United States GDP	Annual Change (Average)	+1.84%	+1.75%	+1.75%
International	Elasticity to GDP	2.8	2.0	1.4
International Blended GDP	Annual Change (Average)	+1.61%	+1.55%	+1.55%
Fares	Elasticity	-0.4	-0.4	-0.4
Fares Change	Annual Change (Average)	+0.2%	+0.2%	+0.3%

- The table shows the assumptions used for income and fares elasticities in the medium and long term.
- Income elasticities are assumed to decrease in line with industry standards, to account for maturity of the market and propensity to fly of inbound and resident travelers.
- Elasticity to fares is set at an industry high level benchmarked value of -0.4

Source: International Monetary Fund, Official Airline Guide, Steer analysis

Unconstrained Demand is assumed to grow at 2.1% in the long-term reaching 55m epax (110m passengers) in 2055

Long Term WA State Forecast
Enplanements (m)

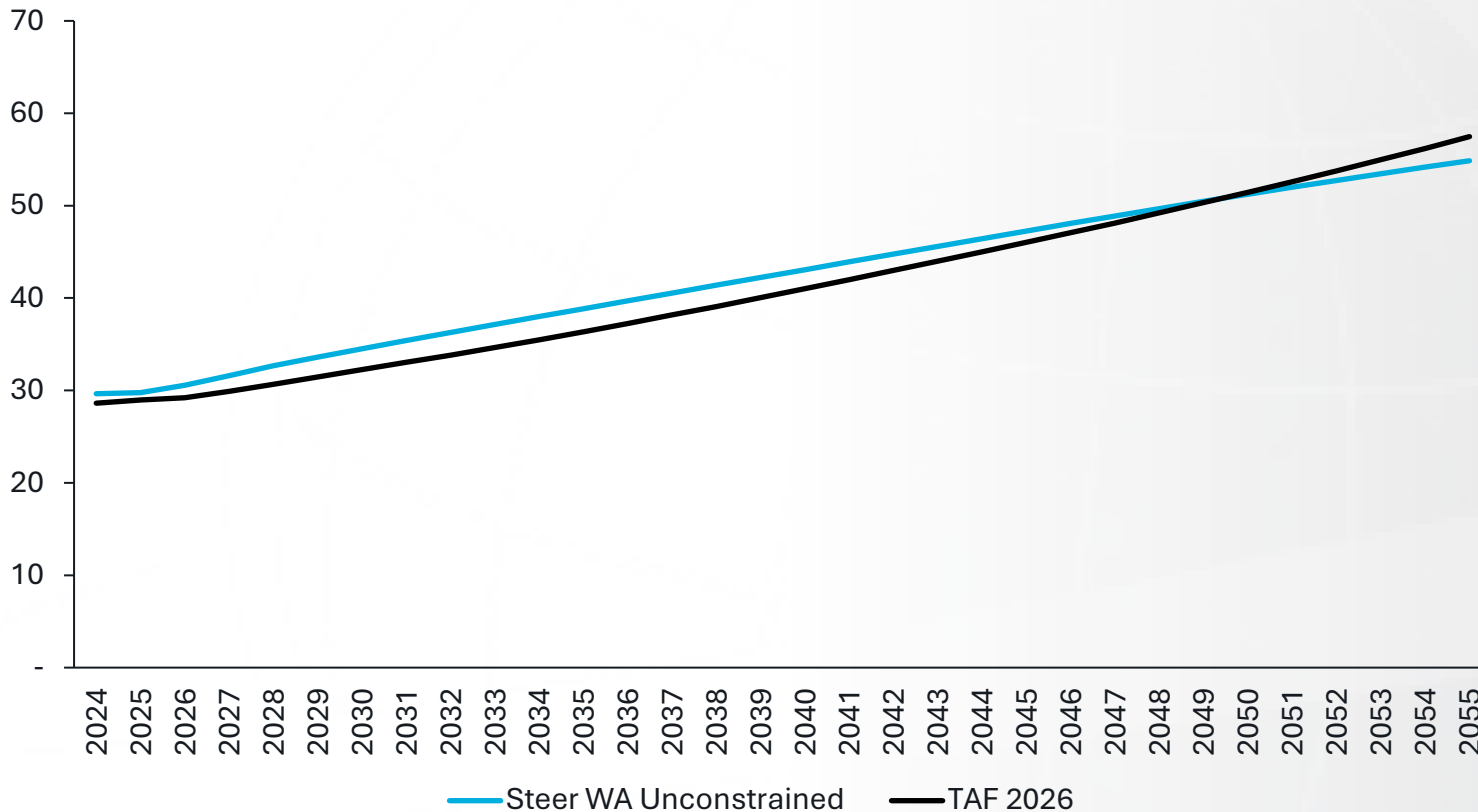


	2025-2035	2035-2055	2025-2055
Domestic	+2.4%	+1.6%	+1.9%
International	+4.5%	+2.4%	+3.1%
Total	+2.7%	+1.7%	+2.1%

Source: Steer analysis

Checks: The 30-year forecast is in line with FAA's TAF; however, with slightly different growth rates

Long Term WA State Forecast
Enplanements (m)



- TAF Forecast is quite stable at 2.3% average across the whole period.
- Steer forecast includes a 2026 Short Term forecast based on latest schedules and include considerations about market maturity, propensity to fly and environmental issues (fuel and green-schemes).

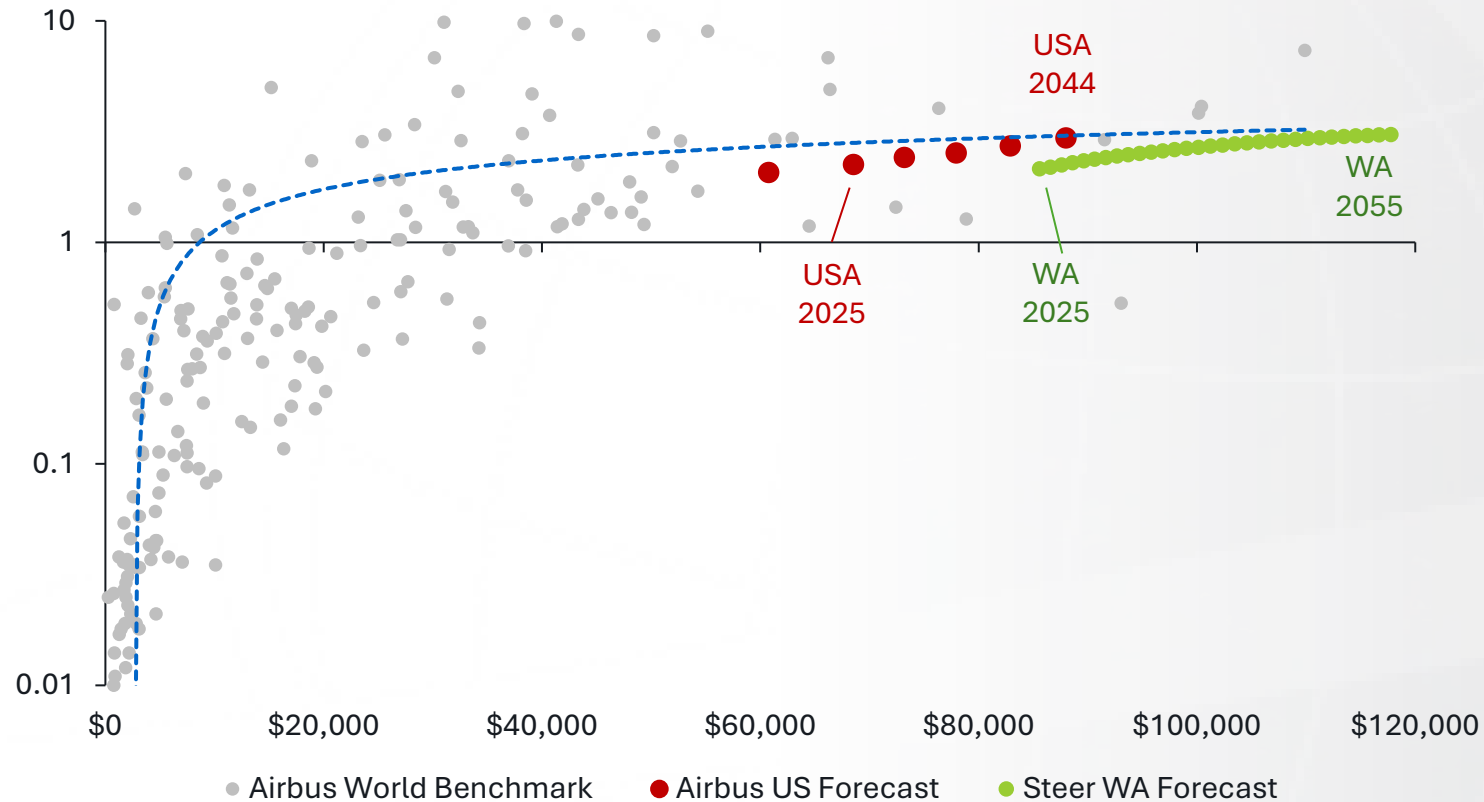
	2025-2035	2035-2055	2025-2055
Steer WA	+2.7%	+1.7%	+2.1%
FAA TAF '26	+2.3%	+2.3%	+2.3%

Source: FAA TAF, Steer analysis

Checks: unconstrained demand forecast is in line with forecast evolution of propensity to fly from Airbus

Propensity to Fly (Residents Trips per Capita)

Trips per Capita

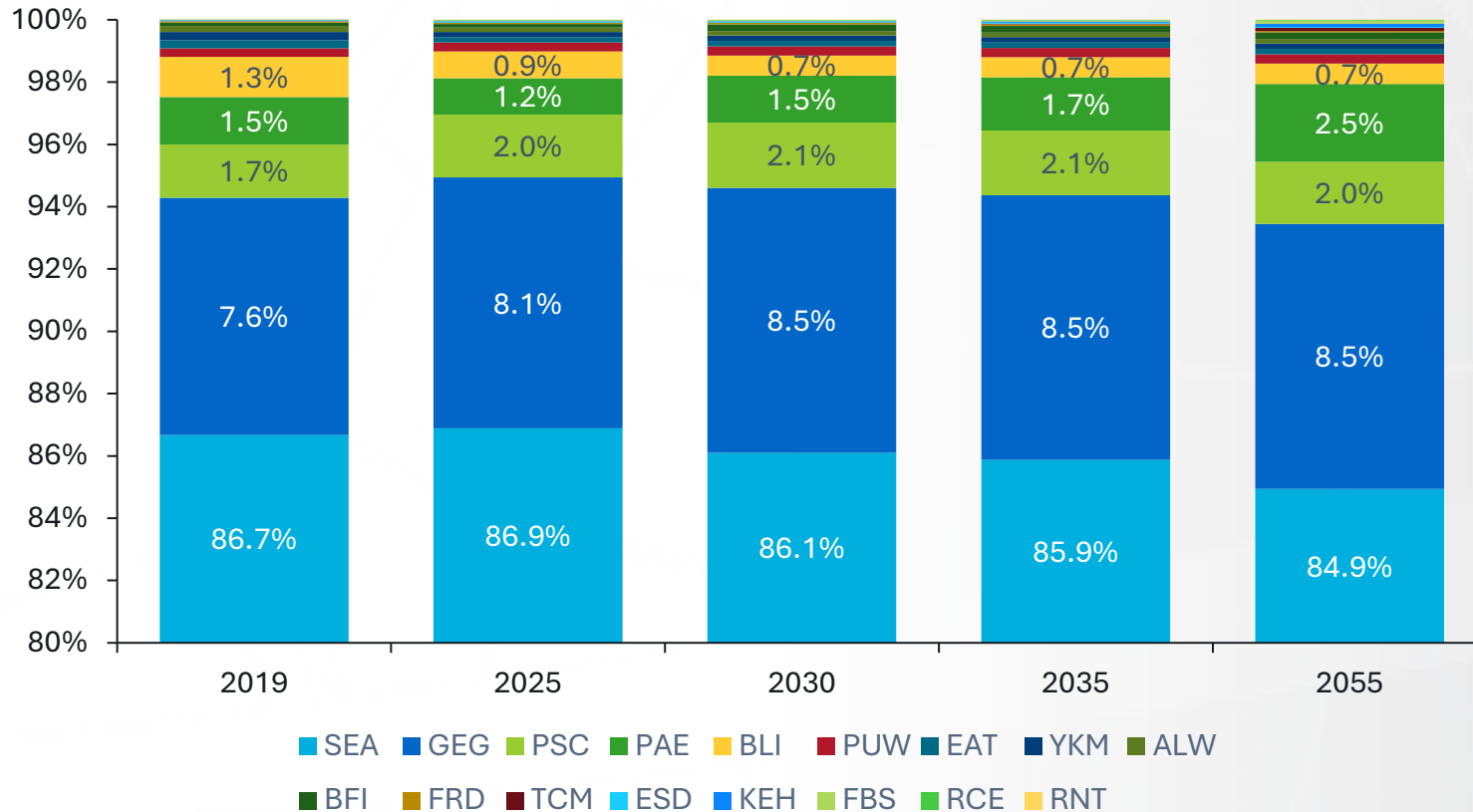


- Propensity to Fly measures the number of annual trips per capita that residents are undertaking at a certain level of GDP/Capita.
- USA totaled approximately 2.3 trips/capita in 2025 at 70,000 USD GDP/Capita (\$2017).
- Steer forecasts WA region to grow up to 55m enplanements in 2055 resulting in a number close to 3 trips per capita in 2055, in line with Airbus Benchmark.
- This is obtained under the assumption of a similar level of O&D trips and Outbound share as observed historically and a population growth of 0.9% between 2025 and 2055.

Source: Airbus, Steer analysis

While SEA has been stable in the past, we assume airports like GEG and PAE will gain domestic market share

Long Term WA State Forecast
Market Share of Domestic Volumes



- Unconstrained Domestic demand is allocated at different airport based on historical and current market shares.
- Adjustments have been made for medium-long term to account for trends and industry insights.
- In particular:
 - Spokane continuing its growth driven by TRES Expansion program and gaining market share.
 - PAE Paine Field expansion to +12 new gates between 2030 and 2040

Source: Steer analysis

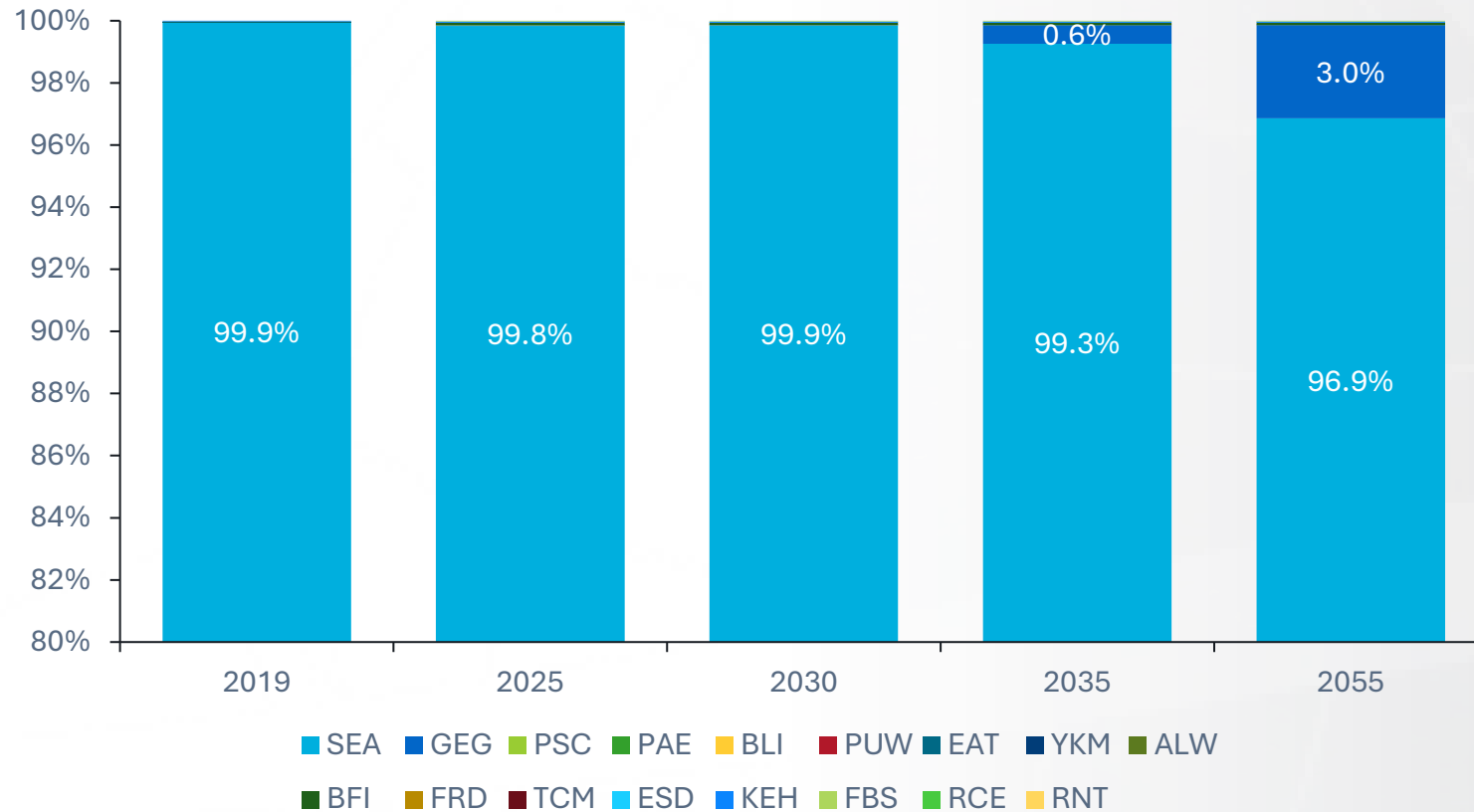


International services will still be dominated by SEA.

We assume GEG will begin international ops post 2030

Long Term WA State Forecast

Market Share of International Volumes

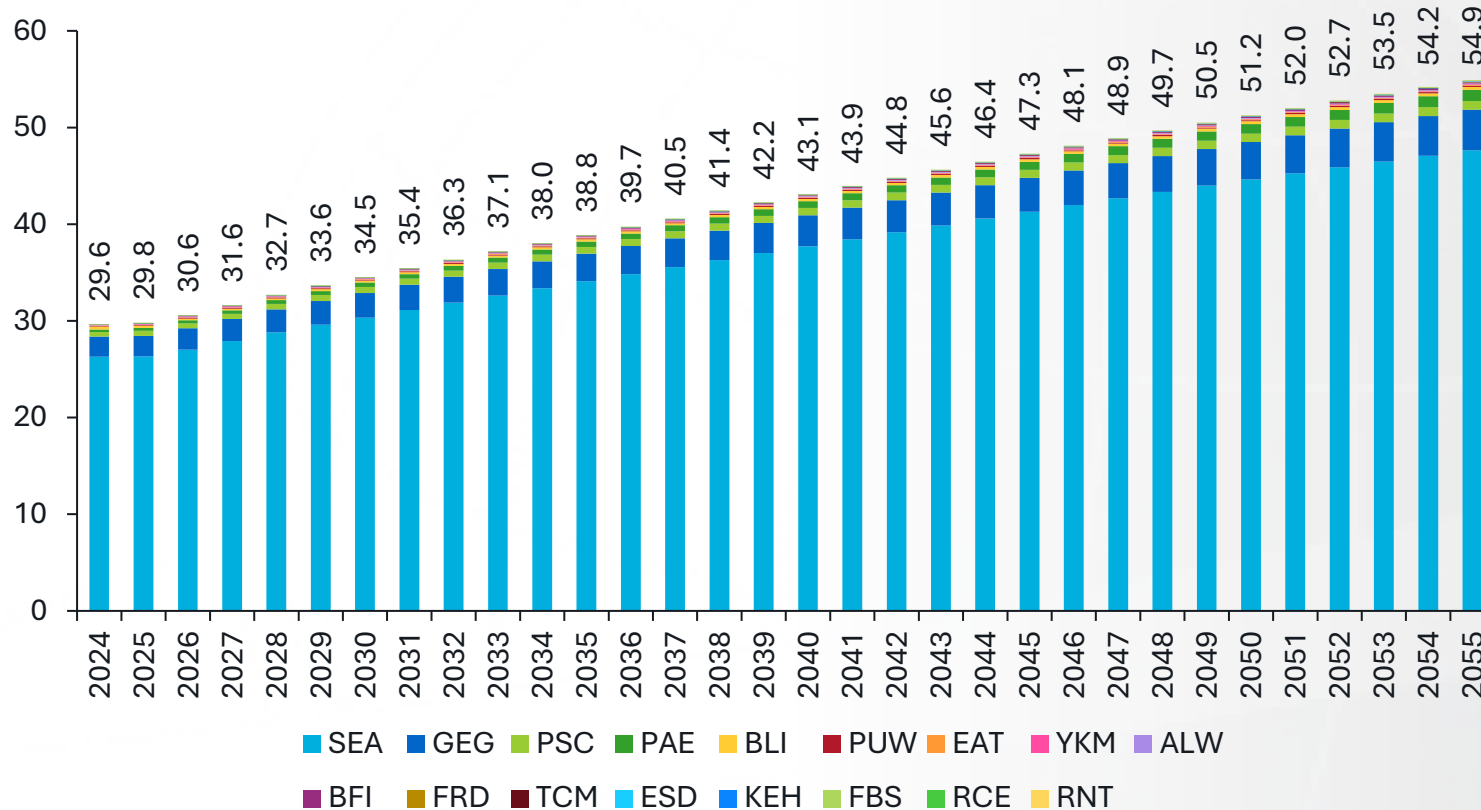


- Unconstrained International demand is allocated at different airport based on historical and current market shares.
- Currently SEA operates almost all International passengers with the remaining activity split by BFI, KEH, FBS.
- We assumed that an airport reaching approx. 2.5m enplanements will then start International commercial services. This is the case of Spokane GEG which we assume to start International operations in 2031.

Source: Steer analysis

Enplanements at State level will grow at 2.1% between 2025 and 2055 for an enplanement level of 55m (110m pax)

Long Term WA State Forecast
Market Share of Domestic Volumes



Epax (m)	2025	2055	2025-55
SEA	26.32	47.65	+2.0%
GEG	2.11	4.18	+2.3%
PSC	0.53	0.92	+1.9%
PAE	0.31	1.15	+4.5%
BLI	0.23	0.30	+1.0%
PUW	0.07	0.13	+2.0%
EAT	0.04	0.08	+2.1%
YKM	0.05	0.08	+1.8%
ALW	0.04	0.07	+1.8%
BFI	0.03	0.11	+4.3%
FRD	0.01	0.02	+2.1%
TCM	0.00	0.05	n/a
ESD	0.01	0.02	+1.9%
KEH	0.01	0.05	+6.5%
FBS	0.01	0.05	+7.3%
RCE	0.00	0.01	+2.4%
RNT	0.00	0.00	+1.8%
Total	29.76	54.86	+2.1%

Source: Steer analysis