



FOR IMMEDIATE RELEASE

Cox Automotive February Forecast: U.S. Auto Sales Remain Relatively Strong Despite Challenges

- February sales pace forecast to reach near 16.3 million, down from last month's solid 16.6 million pace, and down from last year's 16.8 million level.
- Sales pace remains relatively strong in February despite challenges from the ongoing pandemic and short-term winter weather disruptions.
- With two fewer selling days compared to last year, February sales volume is expected to fall 9.4% and finish near 1.24 million units.

ATLANTA, Feb. 23, 2021 – February sales when reported next week are expected to show a relatively strong vehicle market in the U.S., though slowing from January's robust post-holidays pace. The seasonally adjusted annual rate (SAAR) of sales this month is forecast by Cox Automotive to be near 16.3 million, down from January's 16.6 million level and below last year's 16.8 million. However, given ongoing pandemic turmoil and related job losses, coupled with the big freeze in Texas, results could have been much worse.

February is normally one of the slowest sales months in a given year, as many consumers pull back in spending following the year-end shopping season, and adverse winter weather often suppresses vehicle shopping in many parts of the country. This year, weather will play a bigger-than-normal role, as the deep freeze that impacted markets as far south as Houston disrupted millions of lives and businesses for days and likely reduced vehicle purchases as well.

According to Charlie Chesbrough, senior economist at Cox Automotive: "Texas accounts for nearly 1 out of every 11 vehicles sold, so the short-term impact on sales from this event will be felt. However, it's likely only a blip in the overall sales picture, as sales are expected to recover for the quarter."

For the U.S., sales volume is expected to fall more than 9% from February 2020, which seems like a large decline. However, there are two fewer selling days this month compared to last year, so a decline is expected. When seasonally adjusted, U.S. auto sales are forecast to be down around 3% year over year.

February 2020 was a milestone month for auto sales: The last full month of sales before COVID-19 struck the country, delivered a significant blow to the economy, and severely impacted the vehicle market. The auto market has bounced back, though, and for vehicle sales to be down just slightly this February is a pleasant surprise for all industry observers. Key obstacles remain to a full market recovery, with tighter inventories, slowing economic recovery, and varied vaccine distribution all potential disruptions. However, at this point in 2021, none of these issues seem to be significantly holding back the market.

A February sales pace of 16.3 million keeps the market on course for a strong recovery from 2020. The Cox Automotive full-year forecast is for 15.7 million sales in 2021, up from 14.5 million in last year.

February 2021 Sales Forecast Highlights

- In February, new light-vehicle sales are forecast to fall nearly 128,000 units, or 9.4% compared to February 2020. When compared to last month, sales are expected to rise nearly 12%. When seasonally adjusted for two fewer selling days, the year-over-year decline is closer to 3%.
- The SAAR in February 2021 is forecast to be 16.3 million, below last year's 16.8 million level, and a mild decrease from last month's 16.6 million pace.

February 2021 Forecast

Segment	Sales Forecast ¹					Market Share		
	Feb-21	Feb-20	Jan-21	YOY%	MOM%	Feb-21	Jan-21	MOM
Mid-Size SUV/Crossover	215,000	226,477	189,492	-5.1%	13.5%	17.3%	17.1%	0.2%
Compact SUV/Crossover	205,000	233,013	182,921	-12.0%	12.1%	16.5%	16.5%	0.0%
Full-Size Pickup Truck	185,000	200,290	163,397	-7.6%	13.2%	14.9%	14.8%	0.2%
Compact Car	90,000	107,507	77,415	-16.3%	16.3%	7.3%	7.0%	0.3%
Mid-Size Car	85,000	116,009	74,918	-26.7%	13.5%	6.9%	6.8%	0.1%
Grand Total²	1,240,000	1,368,020	1,106,469	-9.4%	12.1%			

¹ Cox Automotive Industry Insights data

² Total includes segments not shown

All percentages are based on raw volume, not daily selling rate.

Auto Sales Should Catch up as Texas Thaws

One key storyline in February will be sales volumes of pickup trucks and large SUVs. Hard hit Texas accounts for an outsized proportion of sales in those segments, which will negatively impact the numbers for Chevrolet, Ford, GMC and Ram this month.

[As noted in a post last week](#) in the Cox Automotive Newsroom, the auto market should recover quickly from the short-term impact of a mid-month weather event, although the situation in Texas has grown beyond just a weather event. Longer-term issues – damaged infrastructure, a lack of water in some markets – could depress the big Texas market for days to come.

If there's a silver lining to be found, we'd look no further than Ford Motor Company. Notes Cox Automotive Executive Analyst Michelle Krebs, "When Texans were out of power, the nation started seeing stories of owners of the all-new Ford F-150 pickup using their on-board generators to power their houses. That was marketing gold for Ford, as it perfectly fits their Build Ford Tough image. Ford has been battling some negative news lately on quality and recalls, so I am sure the good news was welcome indeed."

About Cox Automotive

Cox Automotive Inc. makes buying, selling, owning and using vehicles easier for everyone. The global company's more than 27,000 team members and family of brands, including Autotrader®, Clutch Technologies, Dealer.com®, Dealertrack®, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto® and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five countries and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with revenues of nearly \$20 billion. www.coxautoinc.com

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