

The Petra Impact NEWSLETTER

2022 EDITION 2



PRODUCT OF THE MONTH

WELCOME FROM THE PRESIDENT

It's hard to believe, but we are through Quarter 1 of 2022. It's true what my parents said, the older you get, the more time seems to fly! And fly we did; we ended our first quarter 17% above last year's same period. That's incredible! Thank you for all you do - you, our distributors, customers, and staff, make this happen - **THANK YOU!** We are blessed to have you on our team.

I had the opportunity to visit some dealerships last month. They love Petra and love our distributors. However, I noticed that many of them didn't have all we offered. In fact, I spoke to some about what I thought they were missing in their lineup, and they agreed to purchase on the spot. I say this to encourage and remind you that every time you walk into one of our dealers, it is an opportunity to show them something new. Show them a Petra product they are not currently purchasing and its advantages to them and the consumer. It's a win for everyone! No one will buy something that has never been offered, so please, next time you and your team stop by a dealer, walk around, see missed opportunities and talk to your dealers about them. Always be talking and presenting something new. Always.

Guys, hold on to your seats. If all goes as indicated, the 2nd quarter of 2022 will be the best in our history. Get ready!

God bless you, and God bless Petra.
President, Petra Automotive Products,

Arnold J. Gacita

PetraBlaster Products to help eliminate a vehicle's interior odors!

PetraBlaster is formulated to treat unwanted smells that arise inside a vehicle. Special active ingredients treat odors in the carpet, headliner, and throughout the vehicle.



It penetrates every possible corner of the vehicle and its return air giving you a fresh, clean smell. PetraBlaster does not mask scents but results in an actual clean smell.

LEARN MORE





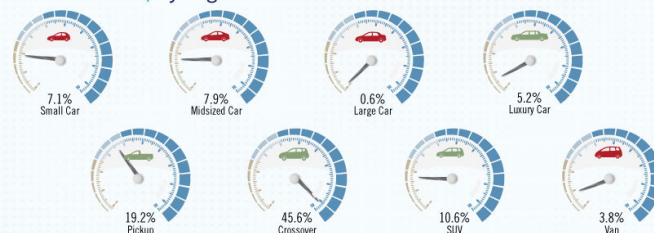
Source: [NADA Market Beat](#)

U.S. Light-Vehicle Sales

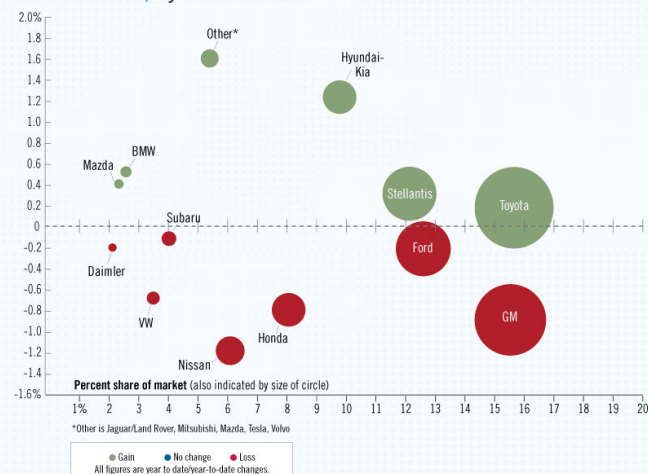
(Seasonally Adjusted at Annual Rates)

| | March 2022 | Y/Y % | Jan - Mar 2022 | YTD/YTD % |
|--------------------------|------------|--------|----------------|-----------|
| Total Car | 2.66 | -30.9% | 2.86 | -22.7% |
| Total Light Truck | 10.67 | -22.7% | 11.15 | -15.1% |
| Domestic Light Vehicle | 10.40 | -22.1% | 10.92 | -14.6% |
| Import Light Vehicle | 2.93 | -31.7% | 3.09 | -23.7% |
| Total Light Vehicle SAAR | 13.33 | -24.4% | 14.01 | -16.8% |

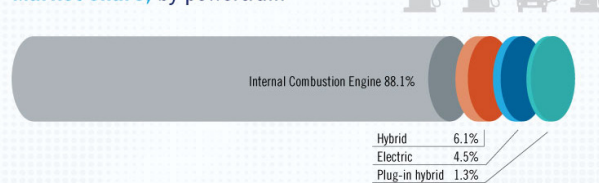
Market Share, by segment



Market Share, by manufacturer

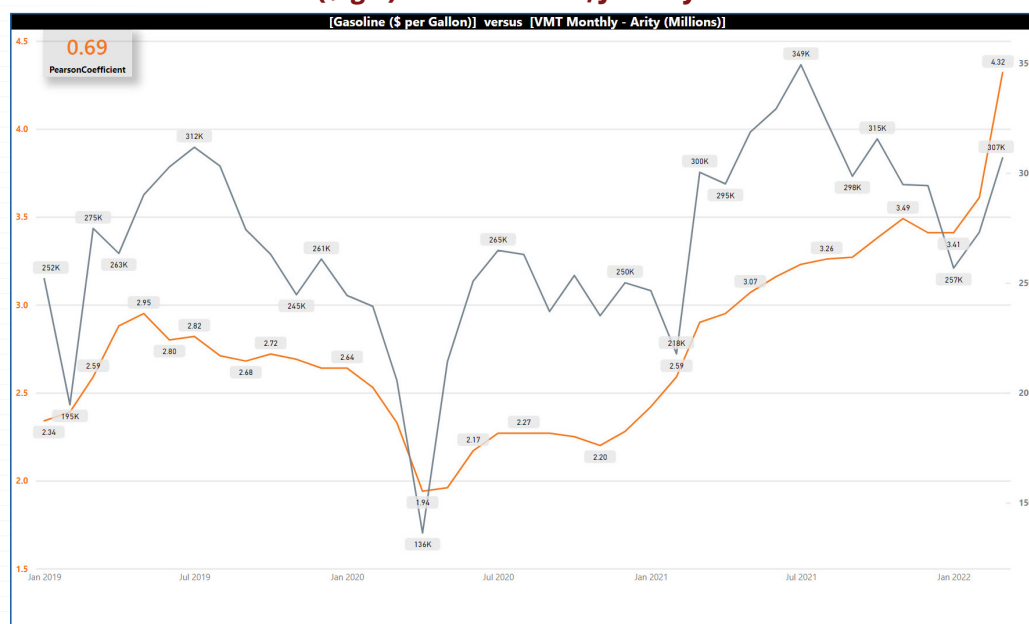


Market Share, by powertrain



Source: [TrendLens - Automotive Industry Trends and Insights | Auto Care](#)

Price of Gasoline (\$/gal) vs. USDOT VMT, January 2004 - March 2022



DEALER SPOTLIGHT

Waxahachie Ford, Dodge, Chrysler & Jeep, Nissan, Waxahachie Off-Road, Collision

- » Wes Spence, Owner
- » Waxahachie, Texas
- » waxautoplex.com

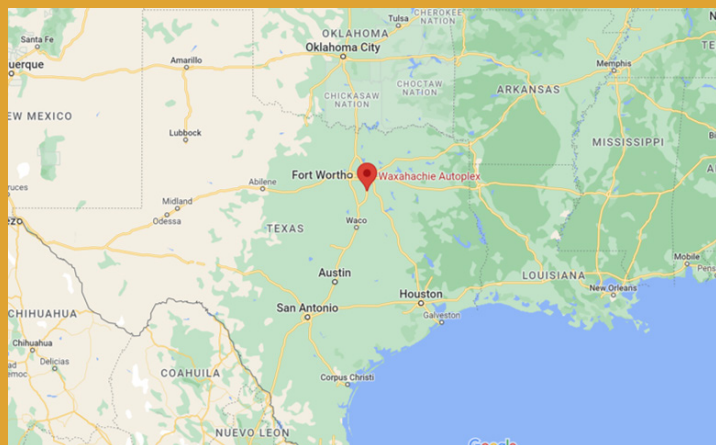


Q: How did you get started in the auto industry?

A: I'm Wesley Spence, Owner of the Waxahachie Autoplex. I came up through the automotive industry, first working in and owning body shops. Then as Body Shop Manager at a dealership, followed by Service Director, General Sales Manager, and finally General Manager. I acquired my dealership 11 years ago and haven't looked back since.

Q: Tell us about Waxahachie Autoplex.

A: Waxahachie is considered the county seat of Ellis County, Texas. There are more than 15 cities within a 30-mile radius of us, making our location central, convenient, and strategic. We sell about 500 new and used cars each month through our 3 locations. We also service more than 5,000 vehicles every month.



When I first bought the dealership, I knew that a financial turnaround was in order. Since then, through fixed ops management, we've quadrupled our service numbers and had substantial growth in our body shop, parts, and all other business areas.

Q: And your relationship with Petra?

A: I got into the business about the same time that Petra started. I knew and trusted Arnold, so the business relationship was a no-brainer. We both grew our businesses together. Partnering with Petra helped me ensure the profitability of my parts and service departments, minimize expenses, and maintain customer satisfaction.

Q: What do you like best about working with Petra?

A: That's easy. The pricing, the service, the quality of the fluids, and the backing with the warranty.

Q: Looking forward, what are your thoughts on the auto industry?

A: Waxahachie is an important agricultural center in North Texas, so many of our surrounding communities are considered rural. I can say with certainty that the infrastructure to support the use of electric vehicles in these areas is five years off - at minimum. Rural areas will not physically be able to embrace the electric vehicle trend in the near term. It will also be interesting to see how closely the appetite for electric follows the changing political tides.



DID YOU KNOW?



The Great Octane Shortage

Contributed By: Rob Richardson, Vice President of Operations / Research and Development

Unprecedented fuel prices are on everyone's mind these days! March gasoline prices in the U.S. eclipsed the prior all-time high of \$4.11/gal set in July 2008 by 32 cents. Prices in the U.S. are \$1.54/gal higher than one year ago, and this is not just a U.S. issue; it is a global issue. The recent turbulence in world oil prices and the resultant impact on gasoline and diesel prices at the pump are major sources of the inflation and supply chain issues we are currently seeing. To illustrate, here are March 2022 global gasoline (petrol) prices for some select countries:

| | | |
|---------|-----------|--------------|
| Mexico | \$1.151/L | (\$4.36/gal) |
| USA | \$1.224/L | (\$4.64/gal) |
| Japan | \$1.373/L | (\$5.28/gal) |
| China | \$1.457/L | (\$5.52/gal) |
| Canada | \$1.561/L | (\$5.91/gal) |
| Germany | \$2.274/L | (\$8.61/gal) |

Source: GlobalPetrolPrices.com

Beyond the financial pain we are feeling at the pump, there is another issue brewing, particularly in the U.S., but it may well be seen in other parts. That issue, simply put, is the Great Octane Shortage.

Until the 1970s, refiners used lead as a low-treat (ppm), economical way to raise the octane in gasoline and prevent pre-ignition in engines, particularly those with high compression ratios. Environmental and health issues drove out the phase-out of lead, which was replaced (briefly) with another metal, manganese in the form of MMT, which was ultimately also phased out. In the mid-late 1990s, MTBE became one of the solutions, albeit at much higher treat rates (10-20%), and once again, environmental issues forced out MTBE! So, what is left in the octane "additive tool kit" for refiners? Only ethanol, which, as we all know, has some major drawbacks in terms of lower fuel economy, deposits, and impact on fuel system components.

The second part of this story is part politics/economics and part thermodynamics. Sounds intriguing, right?

How are these connected? First, high prices at the pump are creating massive pressure in the U.S. for energy independence, not exactly a new topic but rather a swinging gate, sometimes hinged on politics and policy. High import prices on oil, and high prices, are once again making shale oil/fracking economical and politically advantaged options.

U.S. shale production is forecast to rise to 9.7 million bpd in 2022 (up from 9.0) and increase to 10.4 million bpd in 2023 (Source: U.S. Energy Information Administration). While shale oil has some significant advantages over some traditional crude oil sources, it happens to be rich in low-octane hydrocarbons (naptha or straight-chain hydrocarbons) but low in the components that provide natural octane (branched or complex hydrocarbons). As a result, refiners will have to either add processing costs to further "refine" or isomerize the feedstock to provide the required octane or use higher levels of ethanol.

Add this likely reality with the fact that vehicle OEMs, based on the drive for higher performance, better fuel economy, and improved emissions, are increasingly focused on engine designs that demand higher octane (higher compression) and cleaner fuels. Do you sense the impending issues?

Combined, the lack of available "natural" octane in crude/ feedstock and the lack of good additive options to increase octane, together with engine designs that demand higher octane, is the basis of the title of this article, the **Great Octane Shortage**.

The good news is that these issues point to the need for fuel servicing and the ability to reduce octane demand in the engine and keep the engine/fuel system clean. Fuel deposits, especially in the combustion chamber and on piston tops, can effectively increase the engine's octane requirement. Once again, Petra has multiple solutions to keep our dealer customers supplied with ways to keep the consumer happy and coming back!



Opal Marketing headquarters in Muscat, Oman, is situated on the beautiful southeastern coast of the Arabian Peninsula.



Q: Tell us about Opal Marketing & Industry.

A: Our company was established in 1995, and our head office is in Muscat, Oman. We serve our clients with the highest degree of diligence, paying the utmost attention to quality care and customer service. We have 47 centers fully operational in Oman and render service to more than 15,000 cars per month. Our goal is to fulfill our client's every need and ensure that all our clients receive the very best.

Q: Describe your relationship with Petra.

A: Opal enjoys a solid relationship with Petra. All the team members at Petra are very supportive and task-oriented. They believe in providing extended support to dealers both in sales and after-sales.

Q: What do you like most about Petra products?

A: The short answer is quality. Opal was a BG dealer until 2014, when they joined hands with Petra. We are very happy that we made that decision - Petra has never let us down either in products or services. Their products are exceptionally good and far better than BG. We have done more than 250,000 services in our Precision Tune Network and not a single failure. Numbers speak to the quality of the products. We have never received a single complaint from our business partners selling/using Petra products.

Q: Looking forward, any thoughts on the automotive industry?

A: The automotive industry is going through a transition right now, although there are conflicting views on this transition. Yes, of course, I am talking about electric vehicles, hydrogen fuel cell vehicles, etc. There is the wave of electric car production, and every manufacturer wants to ride on it. In my opinion, in 10-15 years, electric vehicles manufactured in good numbers cannot make up more than 20% of the vehicle population. And that is possible only if this wave continues at the same pace and manufacturers build capacities for electric/fuel cell vehicle production. One concern for us and many other geographies is how these vehicles perform in hot temperatures. It's a very uncertain situation. One thing is for sure, gasoline and diesel cars will be here and continue to dominate the market for the foreseeable future.



DISTRIBUTOR SPOTLIGHT

Chem Tech Solutions

- » John Falcone
- » Holbrook, New York
- » chemtechny.com

Q: Tell us about yourself.

A: My family is the most important part of my life. I have been married to my best friend for over 42 years. Barbara and I have five children and fourteen beautiful grandchildren. It's easier to say we have 19 kids.

Before starting Chem Tech Solutions (CTS) twelve years ago, I worked as a mechanic, a New York City Police Officer, and then a New York City Firefighter. After retirement, due to an injury, I started CTS. My hobbies include golf, softball, motorcycling, and building custom cars.

Q: Describe Chem Tech Solutions.

A: I run CTS with my son-in-law Graig Superina. Graig is like a son to me, and I could not ask for a better partner in this business. My daughter-in-law, Jackie Falcone, is the office manager, and my wife, Barbara, does our billing. Our sales rep, Reed Speichler, is a hard-working guy whom I consider more of a friend than an employee. We are blessed with an incredible team. The Chem Tech warehouse is in Holbrook, New York, from which we cover New York and Connecticut. CTS services many of the top automotive dealerships and groups in our area and many independent repair shops. Our goal is to offer our customers great products and services at a fair price. We look to build relationships and not just be another vendor. We like to say that we do the right thing all the time, every time.

Q: How did CTS come to partner with Petra?

A: CTS became a Petra distributor almost two years ago.

Graig and I first ran into Arnold Jr. about five years ago at NADA. He struck us as a good and honest guy, which we now know to be true. Arnold kept in touch, and we soon realized that Petra was the company we wanted to work with. After



doing business with two other manufacturers, we finally found the right fit with Petra. We made the switch and could not be happier.

Q: What do you like most about working with Petra?

A: I attended the Petra Distributor conference in Vegas last year. It was very well run, and the attention to detail in every aspect of the meeting was on point. Every session started with a prayer led by Arnold Sr., which really impressed me.

That told me whom I was dealing with and the kind of company he ran. I am thrilled to be a part of the Petra team and look forward to a long partnership between Chem Tech Solutions and Petra Products.

Q: What advice would you give another distributor?

A: I would highly recommend Petra to a potential distributor. Our customers' feedback has been very positive since we began working with Petra. The packaging is cooler than any other company out there, and the product mix is extensive and growing all the time. None of what I have mentioned would matter if the right people weren't running it and working for the company.

Q: Any thoughts on the future?

A: I see a bright future for Petra and its distributors. There is no doubt that the industry is changing and will continue to do so. I also do not doubt that Petra will continue to change and adapt to whatever comes our way.

INSIDE PETRA



Distributor Training March 2022

Our most recent Petra training class taught skills to help new and existing reps to service our customers in the best way possible. Fluid maintenance, vehicle detailing, and advisor and technician training were all on the agenda. The goal for any Petra training is to help our customers grow their business.

PURPOSE EDUCATION TRAINING RESPONSIBILITY ACCOUNTABILITY

PETRA CARES FOUNDATION



UNLOCKING PURPOSE FOR THE VULNERABLE

Petra Cares is a foundation dedicated to helping underserved young adults aging out of foster care. When young people age out of foster care, they are vulnerable to homelessness, crime, and addiction. Petra Cares is committed to removing the barriers these young people face to become thriving members of society.

Petra Cares is developing programs where a person will receive job training in a field that has career advancement opportunities, transportation to and from training, and childcare if needed. We are partnering with Lone Star College to begin our first Automotive Technician Training Program this August.

Please get in touch with our office to schedule a tour of our training facility, so you can see the opportunity we have to empower young people to become the person of their dreams. Together we will remove the barriers that have kept them from their destiny.

If you are ready to help unlock purpose in young adults who need people to believe in them, then Petra Cares is your place.

Start thinking, "How can I help?", "How can I donate?", and "How can I volunteer?" More to come.

Email us for more information at:
PetraCares@PetraAutoProducts.com

WORD SEARCH

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STEERING
COOLING
CAR
DISTRIBUTOR
BATTERY
TRANSMISSION
PETRA
PETRASHIELD
SERVICE
DEALER
FUEL
AUTOMOBILE
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11085 Regency Green Drive • Cypress, Texas 77429
petraautoproducs.com • 1-888-Petra-61 • info@petraautoproducs.com

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