

The Petra Impact NEWSLETTER

2023 EDITION 1



PRODUCT OF THE MONTH

WELCOME FROM THE PRESIDENT

Wow! This year is flying by! Well into the second quarter, it's been two and a half months since our convention in Houston. The first quarter saw tremendous growth in sales and the development of our customer base. We launched six new products in the first quarter and are on target to launch an additional five to ten by year's end. We are also keeping a close eye on emerging technologies, such as the development of hydrogen combustion engines by auto manufacturers and related infrastructure development by energy companies.

As a company, we stand ready to tackle new opportunities while at the same time maintaining our focus on our core business. 2023 has a lot left to offer to those who are willing to put in the work. I challenge everyone to stay focused as we stride towards mid-year and keep up the amazing energy throughout the second half.

Happy Mother's Day to all our moms, and God bless you all.

Arnold J. Gacita

1007 Petra Engine Shield

Modern passenger cars and trucks are equipped with high-performance gasoline direct-injection (GDI) engines, turbocharging, and advanced electronics to squeeze out every bit of power, fuel economy, and emissions performance possible. This places unique and new demands on engine oil and demands different types of protection than previous oil specifications. Petra's Engine Shield has been formulated with these new needs in mind, featuring a rebalanced/boosted detergent/dispersant system, enhanced level of soot and wear control, and unique thermal/oxidation inhibitors to protect turbochargers.



Learn More At
petraautoproducts.com/oilworld



Source: **NADA Market Beat**

U.S. Light-Vehicle Sales

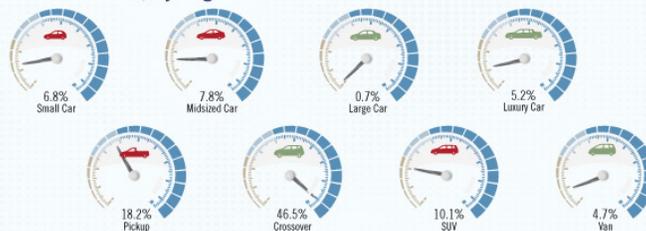
(Seasonally Adjusted at Annual Rates)

	April 2023	Y/Y %	Jan - Apr 2023	YTD/YTD %
Total Car	3.28	13.1%	3.07	7.3%
Total Light Truck	12.63	10.9%	12.30	9.3%
Domestic Light Vehicle	12.73	12.5%	12.22	10.3%
Import Light Vehicle	3.19	7.8%	3.16	4.3%
Total Light Vehicle SAAR	15.91	11.4%	15.37	8.9%

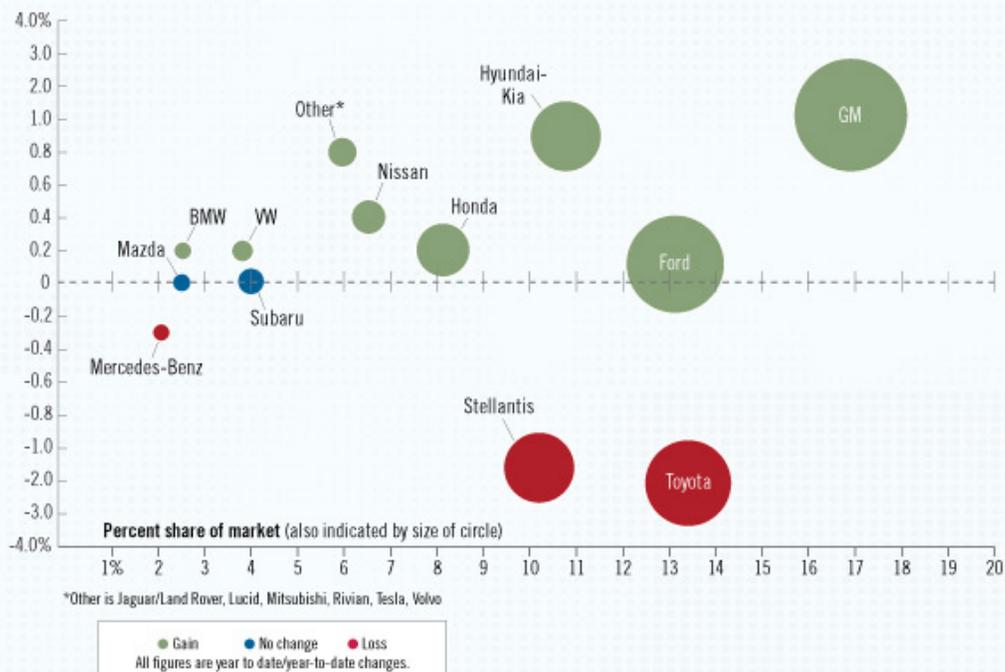
Market Share, by powertrain



Market Share, by segment

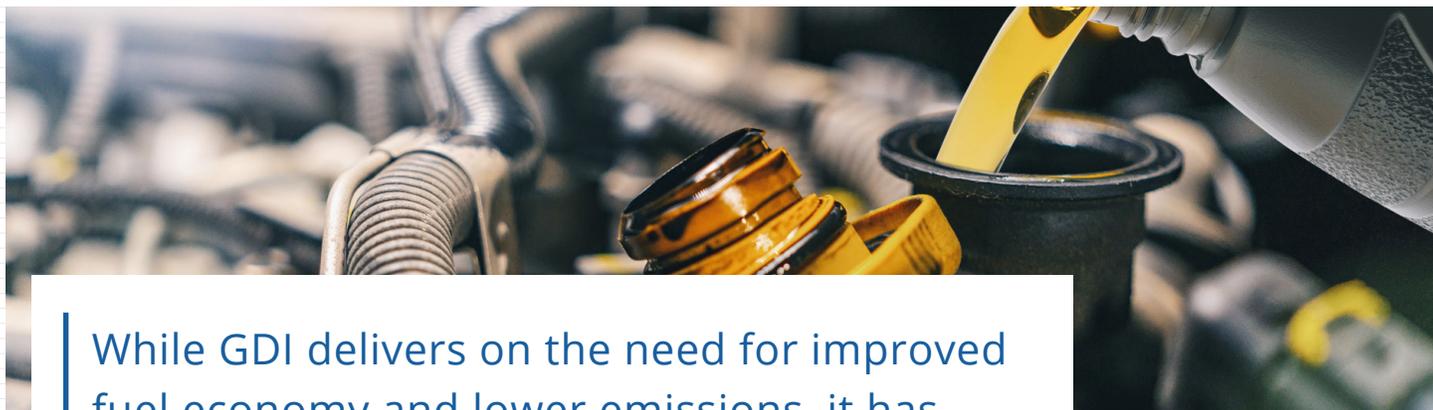


Market Share, by manufacturer





DID YOU KNOW?



While GDI delivers on the need for improved fuel economy and lower emissions, it has new and specific vulnerabilities that must be addressed in fuel and engine oil systems.

TECHNOLOGY TO EXTEND ENGINE OIL LIFE

Contributed by Rob Richardson, Vice-President R&D and Operations

It is widely known that to meet near-term global and country-specific fuel economy and emissions requirements for passenger car gasoline-powered vehicles, OEMs have centered on Gasoline Direct Injection (GDI) engines. In 2016, the market share of GDI surpassed the 50% mark (with Multiport Fuel Injection or MPFI representing the remaining share) and has grown steadily since, likely achieving 75% or more in 2023. In addition, OEMs have included turbocharging (GDIT), or even twin-turbocharging, to meet consumer demand for performance and power in these (generally) smaller engines.

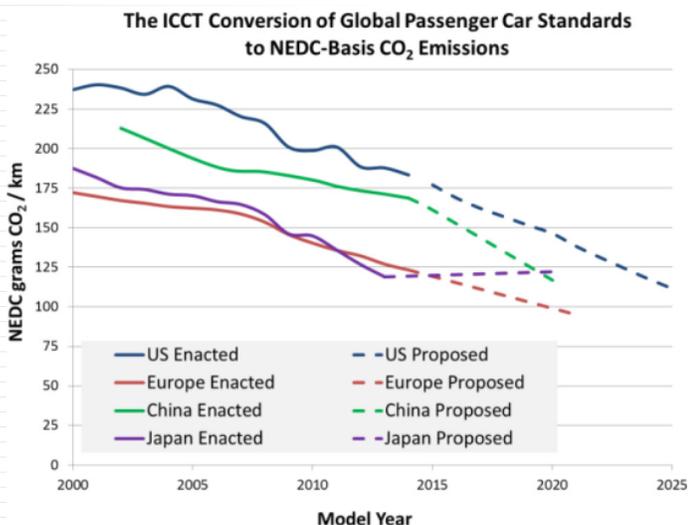
In the U.S., this translates to a Corporate Average Fuel Economy (CAFÉ) requirement of 29.7 mpg in 2012 to a target of 54.5 mpg in 2025.

While GDI delivers on the need for improved fuel economy and lower emissions, it has new and specific vulnerabilities that must be addressed in fuel and engine oil systems.

For the engine oil, three areas of performance are new and unique to engine oil formulations and specifications (starting with ILSAC GF-6 and dexos1TM:2015):

1. Prevention of Low-Speed Pre-Ignition
2. Turbocharger Protection (against deposits/coking)
3. Timing Chain Wear

Petra introduced Engine Shield PN1007 earlier this year to specifically address these unique issues with GDI/GDIT engines. Engine Shield replaced Synthetic Oil Enhance PN1002 directly and in all related service kits, including used car warranty kits. Engine Shield features a GF-6 detergent inhibitor package core, is formulated on 0W20/5W20 viscometrics, delivers a rebalanced detergent/dispersant package to address LSPI concerns, and contains unique antioxidant and antiwear technology to extend engine oil life and protect against thermal/oxidative breakdown that can lead to oil thickening and turbocharger deposits.



DISTRIBUTOR SPOTLIGHT

Ryan Pierson
Mansfield Energy



Q: Tell us about yourself. How did you get started in the auto business?

A: I have been in the industry for 15 years. I started as a sales rep at a Mobil distributor in Ft. Worth, Texas, two years out of college (after a brief stint in corporate finance for a Fortune 500 company), then transitioned to O'Rourke in 2009, which was purchased by Mansfield Energy November of 2018. I progressed over the years from a Commercial and O&G salesperson to the Consumer/Automotive business manager, then through various management roles to the one I hold now, Sr. Director of Lubricants.

Q: What is your most notable business achievement?

A: From an achievement standpoint, rising to Sr. Director quickly in a large and distinguished organization like Mansfield is something I am very proud of. I am surrounded by some of the most talented professionals in the industry, who I am blessed to call my "team." We are recognized as one of only 12 of the highest class of distributors for Shell, called "Prestige," and aspire to be the top Petra distributor soon.

Q: What's your favorite Petra product?

A: Red Fury Degreaser is by far my favorite Petra product. It has tremendous applications across our business, from automotive to industrial, to drilling rigs.

Q: Why would you recommend Petra to other dealers?

A: The forward-looking nature of Petra's R&D Department, a relationship-based partnership, and their desire to build the highest quality products in the market make Petra stand out in this marketplace.

Q: What advice would you give someone just starting in the business?

A: For someone just starting out, I'd recommend three things: 1) Have a dedicated sales force for Petra and invest the time, focus, and money needed to ensure they are subject matter experts led by a competent sales manager. We have not mastered this but are committed to as fast as possible. 2) Understanding the market, you serve and the most important products to stock (and levels) is critical as it varies. 3) Also, be ready to learn something new to capitalize on the opportunities that Petra's new and innovative products bring to your business.

Q: Looking forward, any final thoughts about the auto industry?

A: Nationally, the market will become more segmented, and decision-makers will start looking for more value from their suppliers. Incumbent distributors will have to work harder to demonstrate value and retain business. They must also have a sales force that can quickly and articulately define their value proposition, then be diligent in delivering on those commitments.



Jorge del Río García
Founder and CEO
Grupo RG

We have been in business since 1991 and are motivated by service and innovation, with which we satisfy the expectations and needs of our customers. We are genuinely passionate about serving the customer and fully meeting their expectations.

A priority for us is the development of our human capital. It's what defines us and our ability to succeed in a regional, state, and national environment, as well as in our international collaborations.

RG is known for our customer service. Our team of product and service experts is all about finding solutions for our customers in the automotive sector.

Q: How did you start your business?

A: RG started in 1991 and was our first entrance into entrepreneurship. We were founded with an intense passion and desire to serve our customers.

Initially, our business focused on the aesthetic beautification and protection of the car. Still, it was clear that our goal was to expand to equipment and chemical solutions.

The market in our area 32 years ago had a void in the products and services we were offering, and we were prepared to capitalize on that.

Our vision was to succeed through a combination of product innovation and innovation in service. We had an excellent opportunity to satisfy the needs of the most demanding and the largest customers, achieving success that set us apart from the competition.

Q: What do you enjoy most about your business?

A: What I enjoy the most about the business is seeing the happiness and satisfaction of our clients every time we can give them a comprehensive and innovative solution through equipment, products, and services. Customer satisfaction is

at an all-time high and continues to drive our business forward.

My other source of great pleasure is seeing the satisfaction among our workforce of 160 strong. We encourage and push our employees to explore the outermost limits of their abilities and talents.

Q: Talk About Your Business Achievements

A: One of the most notable business achievements is the culture we've created for our people. Through the individual desire for professional growth, the spirit of teamwork, and the drive for customer service excellence, the essence of our company is reflected in our customers' satisfaction.

The automotive sector recognizes Grupo RG México as the premier provider among suppliers. This goes beyond our direct competition amongst distributors - it also includes the supply chain of their direct brand (GM, for example). This is why Grupo RG has had many of the same customers for 32 years!

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

A: We definitely found the solid stone in Petra. Petra is very centered on the person. Petra exudes a feeling of collaboration and family, from the ownership to the employees themselves.

Obviously, great products are what keep us engaged.

The quality of Petra products and the company's constant innovative solutions have put Petra in a global leadership position in just 12 years. With their products in 40+ countries, it's good to know that what we supply to our customers delivers on that same reputation.

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Q: Why Would You Recommend Petra?

A: I recommend Petra because there is a congruence between the quality of the product and the quality of its founder and his team. That consistency creates a level of trust for us as distributors. It is a trust we can pass along to the end customer.

Q: Favorite Petra Product

A: It is hard to narrow down to just one favorite product. My top three are Fuel Power 2011, 2002B Fuel System Cleaner, and 1001 Oil System Cleaner. 6001, the brake cleaner, is also an exciting and very attractive product.

Q: Advice for Someone Starting Out

A: The advice for someone just starting as a Petra distributor is to understand the business model thoroughly. If you know the automotive sector and understand the business model and the value proposition of working with Petra, creating synergy and empathy with customers will come naturally.

Q: Thoughts on the Future

A: The future of the automotive sector has excellent potential.

The sources that power vehicles are probably not going to be a one size fits all solution. Depending on geography, infrastructure, and available resources, we could see a future where EVs, solar, gas/diesel, and other energy sources are all in use simultaneously.

Whatever the future holds, Petra will certainly continue to innovate and take advantage of opportunities as they arise. Petra México is determined to join in and take advantage of the market opportunities the automotive industry gives us.

PURPOSE EDUCATION TRAINING RESPONSIBILITY ACCOUNTABILITY

PETRA CARES FOUNDATION

We are pleased to announce that June 5th will mark the start of our inaugural Petra Cares Automotive Technician Course. At the end of the eight-week course, we will place students who have successfully completed the program in a job at one of our partner auto dealerships. This is a life-changing opportunity for these youth who have transitioned out of the foster care system. Their education and certification will play a pivotal role breaking the cycle of poverty brought on by lack of training and education. Thank you for being a part of this important movement we are starting.

For more information, log onto www.Petra-Cares.org



UNLOCKING PURPOSE FOR THE VULNERABLE

DEALER SPOTLIGHT

Brad Mugg
Honda of Downtown Los Angeles



Q: Tell us about yourself. How did you get started in the auto business?

A: I've been in the car business my whole life, and the auto sales business for over 30 years. I grew up in and around the auto body service industry and transitioned into sales when I became the GM for a Honda dealer in Indiana. I then moved to Chicago as the GM of the largest Honda dealer in the Midwest. From there, I became GM for a Honda dealer in California, which was the largest in the country. I then bought into a Honda dealership in California, and following a move to Oregon, I bought into a dealership there as well. After two years, I made the move back to California where I acquired ownership interest in Honda of Downtown Los Angeles.

Q: Describe Honda of Downtown Los Angeles.

A: Honda of Downtown Los Angeles is one of the oldest dealerships in California and is one of the busiest dealerships I've ever been a part of. In two years, we've moved up our position from 35th to 9th in the nation. I am a firm believer that in a very short time, Honda of Downtown Los Angeles will be #1 in the country. In addition to amazing sales growth, we service approximately 3,800 cars each month!

Q: What's the most important aspect of your corporate philosophy?

A: In a word, "people". Our people know and share our vision. We act ethically and responsibly, and we have amazing teamwork. Everyone is smiling, everyone is happy. We hold the doors open for each other, literally and figuratively. Our people have fun and are happy to get to work every day. That mantra is shown to every customer and supplier that comes through our doors.

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

A: Much like my business philosophy, it's the people that make the difference. Arnold Sr. and I met at a business event and instantly hit it off. He never pushed his business on me, we just became friends. Eventually, the timing was right for our businesses to work together, but I describe it as more of a relationship rather than a business partnership.

Q: Why would you recommend Petra to other dealers?

A: Three things: Professional. Friendly. Great Products. Put the three together and it's hard to beat!

Q: What advice would you give someone just starting out in the auto sales/service business?

A: Surround yourself with positive people that want to make a difference. Make sure you have the right person for the company and that they are in the right role. My people decisions start with good ethics, good core values, and genuine care for the business. After you have the right team members, training on the business is easy.

Q: Looking forward, any thoughts about the outlook for the auto industry?

A: The next 10-15 years will be very interesting. We're heading toward electrification, but the combustion engine, with whatever fuel source, will be around for the foreseeable future. The key is to stay focused, stay positive, and look for opportunities to grow.

INSIDE PETRA



Getting to Know Gabriela Sanchez, VP Finance and Administration

How were you introduced and when did you start with Petra?

I've been with Petra since the beginning. I started in 2011 as Office Manager and was the second employee here after Arnold Jr.

What are the important things that help you navigate a busy day on the job.

Even temperament, patience, enthusiasm, drive, desire to help, humor, and lots of coffee!

What motivates you?

I feel a sense of accomplishment when I'm able to assist our internal team and our distributors. Helping people and solving problems makes me feel like the day has been worthwhile.

Word Association with Gaby

- Petra culture.
Family.
- Your day at work.
Controlled Chaos.
- Most fun part of your workday.
Helping people out of a bind!
- Your alternate career.
World Travel & Food Blogger.



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