

The Petra Impact NEWSLETTER

2022 EDITION 3



UPCOMING CONVENTION

WELCOME FROM THE PRESIDENT

Here we are halfway through 2022. Wow! I still can't believe how fast this year is going by. I am either getting old, or we are just so busy that life flashes by, maybe both! At the end of June, we were 51% above last year. Now, remember, we ended the year 54% above the previous year. Therefore, on a rolling 12 months, we have doubled our business. We expect to double it again by the end of the year, and as of today, with all the projects in-house, and new products, we believe we will triple our business in the next 12 months! We have been truly blessed. I will continue to say it; we are blessed; we are blessed with an incredible staff, and we are blessed with phenomenal distributors. We could not do this without you.

Although hiring people is a challenge today, we must. We must continuously hire rock stars. People that bring actual value to your business and, in essence, ours. We encourage all of you to hire great salespeople. We have a movement coming that's huge, massive, and fast. I tell my internal team that a freightliner is coming with all the power and quickness of a locomotive, it's not stopping, and we have to be on it now. Please hire the right team. Hire the right staff. Hire the right salesperson. Get them trained and ready because here we go!

Last but not least, neither we nor our distributors should allow ourselves to become complacent. Please don't be content with what you have accomplished or succeeded in doing. Always strive for more. We see it too often where a distributor gets content with his customers and revenues, they are happy where they are, and growth stops. Don't be that person. Strive for more, to be the best, to penetrate your area in a very big and powerful way.

Arnold J. Hacita

Petra Annual
INTERNATIONAL
CONVENTION
*A Grand Slam
Event*

OCTOBER 2-3, 2022
HOUSTON, TX

Special Guest Speaker

David Spisak

President/CEO of

* Disruptive Growth Solutions *

LEARN ABOUT ACCOMMODATIONS
AND TO REGISTER BY AUGUST 26, 2022

LEARN MORE ▶



Source: **NADA Market Beat**

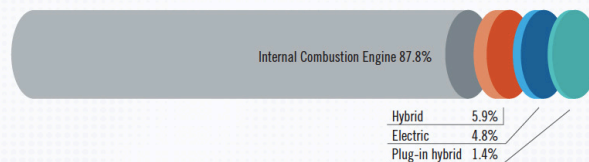
U.S. Light-Vehicle Sales

(Seasonally Adjusted at Annual Rates)

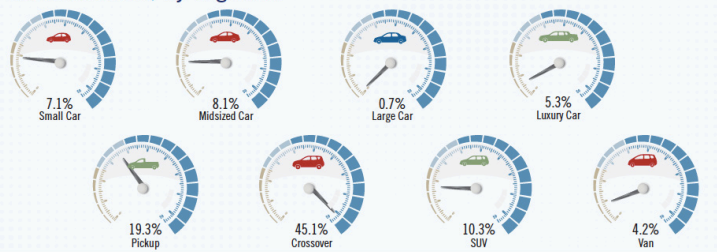


	June 2022	Y/Y %	Jan - Jun 2022	YTD/YTD %
Total Car	2.72	-25.5%	2.83	-25.7%
Total Light Truck	10.28	-13.0%	10.87	-16.7%
Domestic Light Vehicle	10.28	-11.1%	10.81	-14.8%
Import Light Vehicle	2.72	-30.4%	2.89	-30.9%
Total Light Vehicle SAAR	13.00	-16.0%	13.70	-18.7%

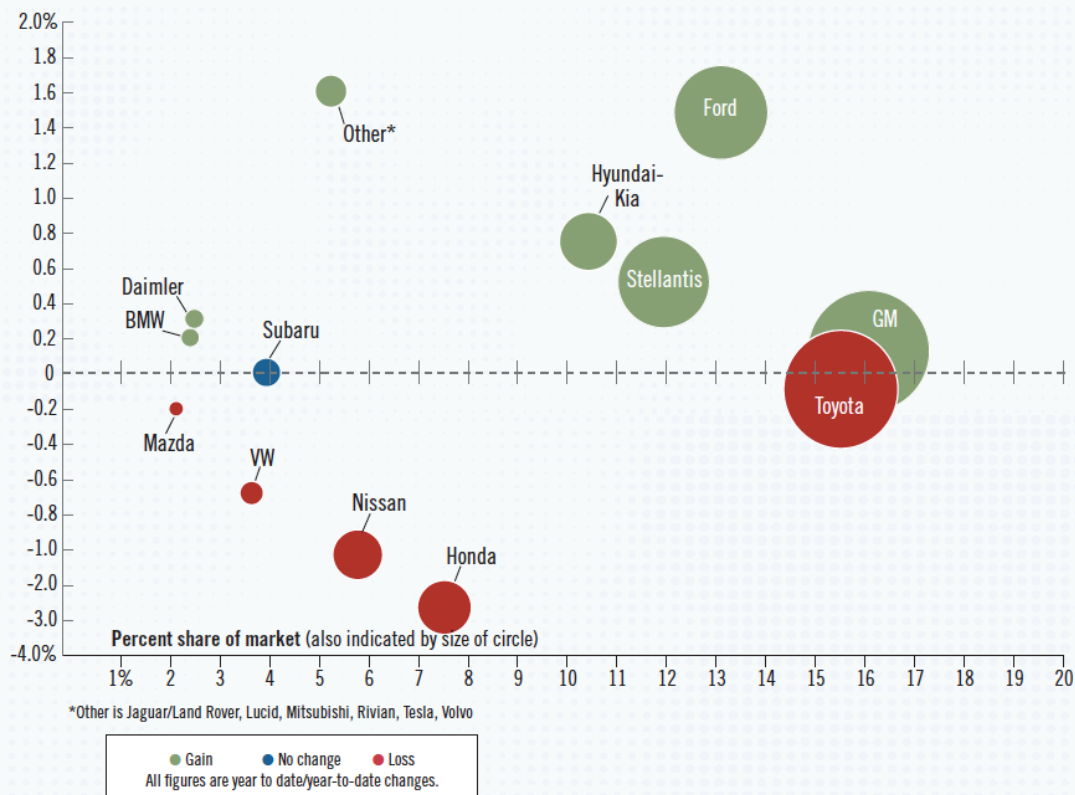
Market Share, by powertrain



Market Share, by segment



Market Share, by manufacturer





Selling cooling system maintenance can provide excellent value to the consumer in terms of preventative vehicle maintenance and to the dealer in terms of service revenue.

AUTOMOTIVE COOLING SYSTEMS

In internal combustion (IC) engines, air and fuel combustion occur inside the engine cylinder, generating hot gases. The temperature of these gases is around 2300-2500°C. This very high temperature may burn the oil film between the moving parts resulting in their seizing or welding. Therefore, the temperature needs to be lowered to about 150-200°C, at which the engine will work most efficiently. Too much cooling is also not desirable since it reduces the thermal efficiency. So, the object of a cooling system is to keep the engine running at its most efficient operating temperature. It is to be noted that the engine is relatively inefficient when it is cold. Hence, the cooling system is designed to prevent cooling when the engine is warming up until it attains maximum efficient operating temperature. It is also to be noted that: (a) About 20-25% of the total heat generated is for producing brake power (practical work). (b) The cooling system is designed to remove 30-35% of total heat. (c) The remaining heat is lost in friction and carried away by exhaust gases.

The combination of extreme operating conditions in the cooling system, coupled with the fact that most consumers do not adequately maintain their cooling systems, means that selling cooling system maintenance can provide excellent value to the consumer in terms of preventative vehicle maintenance and to the dealer in terms of service revenue.

A Petra cooling system flush, utilizing Petra's advanced cooling system flush equipment to ensure complete and efficient fluid exchange, combined with Petra's Cooling System Flush, Radiator Sealant, and Radiator Conditioner, is an essential part of recommended vehicle maintenance and a significant revenue generator for our dealer service department customers. It is great to use with Petra's high-quality, fully formulated Universal Long-Life Antifreeze/Coolant!



PERU

Miguel Cabezas

Owner

Abba Soluciones Integrales Lima, Peru

Q: Tell us a little about yourself and your company?

A: Since I was a child, I was very interested in the automotive industry and I wanted to become a good technical-mechanic. During my high school years, I began automotive mechanical training and at the age of 20 I started working in one of the largest workshops in Peru, Mitsui Automotriz. Then in the year 2008 I entered another workshop of the Toyota Grupo Pana family, where I was then able to develop a business model that the workshops needed.

Q: How did you start in the automotive business?

A: While working at Grupo Pana, one of my clients had his spare tire stolen and he asked me if I had any security system to protect his tire. At that time I had nothing to offer him. It left me thinking and I decided to develop a system that could protect your tire from theft.

We developed several systems for different car models. Workshops in Lima began to call us, eventually giving us the opportunity to present other lines of business such as PETRA additives.

Q: What do you enjoy most about your business?

A: What I enjoy the most is that I continue in the field that I have been excited about since I was a child, at another level and in another position, but I am still in the automotive world and bringing my clients high-quality products.

Q: What has been one of your most notable business achievements?

A: Sincerely being able to work with the largest workshops in Lima and seeing your brand positioning itself and that my former home Grupo Pana and Mitsui use PETRA products.

“Believe in your business because you have a great brand in Petra that supports you.”

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

A: What I enjoy the most is the wide variety of products, the support that the brand gives, knowing that I represent one of the best brands in Peru.

Q: Why would you recommend Petra Automotive Products to others?

A: I would recommend Petra because of the large number of products, for the innovations the company makes, and for the good price offering.

Q: What is your favorite Petra product and why?

A: My favorite product is the 9007 (Auto AC Evaporator Odor Eliminator), it is super effective, it fulfills its function well.

Q: What is the one piece of advice you would give to someone just starting out in our business?

A: Be persevering and believe in your business because you have a great brand in Petra that supports you.

Q: What thoughts or ideas do you have about the automotive industry in the future?

A: We should be working to develop new products for advancing technology and continue to innovate on current and future products and service models.

DISTRIBUTOR SPOTLIGHT

David Huckabee,
Co-Owner KOA Distribution

» Based in Little Rock, AR with coverage across Arkansas, Missouri and N. Mississippi



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

A: I had no business experience in the auto industry, but a friend I grew up with did and had dealt with Petra in the past. He and I were looking for a business to start together. We discovered Petra had no distributor presence in Arkansas. We had a great introductory meeting with Arnold, and I told him I needed help solving a problem. I had young children, and my vehicle smelled like spoiled milk. I tried shampooing, air fresheners, and everything I could think of, but nothing worked. Arnold sent me PetraBlaster, and I was immediately sold on the product and partnering with Petra.

Q: What is your most notable business achievement?

A: What we're most proud of is that we can have potential clients call our existing customers for references without thinking twice about it. The common theme is that we're good to work with. We respond, we're service driven, and we have great relationships. The products are reliable and add value, which allows us to continue to build our business based on referrals and great relationships.

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

A: The best thing about working with Petra is that we truly feel part of a team. The home office is always responsive regarding training, new product or kit ideas, order questions, and anything else that may come up. The two-way open line of communication is such a great way to reinforce that we're not just a number, that we're really part of a team.

Q: What is your favorite Petra product?

A: My favorite Petra product is the Used Car Kit (PN 9900G5). The current kit was based on suggestions from our customers. From a distributor's perspective, selling and

seeing a return is easy. It's also a cost-effective way for a dealership to have some security in selling a used car. The same goes for the customer...they get peace of mind knowing that their vehicle has a great warranty.

Q: Why would you recommend Petra to other distributors?

A: I would tell a potential Petra distributor that they not only get Petra but also the support of other distributors in the network. Petra does a great job of vetting new distributors to ensure they fit into the culture of teamwork. We do engage in friendly competition, but we are also there to support each other with emergency inventory, advice, or product knowledge.

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

A: As a businessman, I would tell someone starting out that they need to mind their P's. Be patient. Be persistent. Don't panic when things get rough. Be ready to pivot when changes or adjustments are necessary.

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

A: Supply chain disruption is currently a global issue. Within the auto industry, there is no real indication that it will ease up anytime soon. Availability of new vehicles is at an all-time low. This means that used cars are being serviced and cared for more often. It's a win for KOA, Petra, and the dealerships we support.

INSIDE PETRA



2021 Top Distributors Trip to Alaska

Congratulations to our Top Two Distributors of 2021 who were awarded with an all-expense paid fishing trip to Alaska. This year's excursion went to Mansfield Service Partners and KOA Distribution. We're looking forward to celebrating with next year's winners!

PURPOSE EDUCATION TRAINING RESPONSIBILITY ACCOUNTABILITY

PETRA CARES FOUNDATION



UNLOCKING PURPOSE FOR THE VULNERABLE

At Petra, we take great pride in running our operation with excellence. The spirit behind Petra has always been to go above and beyond for everyone we do business with. We strive to be the best company we can be for one reason... to make life just a little bit better for our staff, and you, our wonderful customers.

It's within that same spirit that we support Petra Cares, the charitable arm of Petra Automotive Products. In the past, we have helped numerous charities, but we recently took the leap and started our own non-profit 501(c)3 in hopes of having an even more significant impact and to help make life just a little bit better for a different group of people.

We proudly announce our Petra Pathway Program for kids aging out of the Foster Care system. We have partnered with Lone Star College to create a dynamic 8-week course for these kids to learn how to become a certified technician. Upon completion of the course, they will receive job placement with one of our great customers and be gifted a quality tool set to start them on their journey! But most importantly, they will receive a sense of independence, accomplishment, and purpose.

The very first program will start in January 2023! If you are interested in learning more about the Petra Cares Foundation or the Petra Pathway Program, please reach out to PetraCares@PetraAutoProducts.com

CASE STUDY

PETRA TRANSMISSION PRODUCTS FEA DISTRIBUTION SOLVES PROBLEM FOR MAYBERRY HYUNDAI

This case study highlights success in several product and partnership dimensions. Within Petra, we were developing an upgrade to our Universal Synthetic ATF (PN520) to cover the ever-expanding range of ATF fluid/OEM applications in the market. In the field, Greg Beck and his team did what Petra distributors do best, look for ways to create value for its dealer customers. These two paths converged when Greg called and asked if our ATF met Hyundai/Genesis SP-IV-RR specifications. Greg and his team were working with Mayberry Hyundai and learned that their supplier's fluid did not meet the latest Hyundai spec, along with many others. We confirmed that our new ATF met this spec as well as a range of other recent OEM specifications.

**WELL
DONE
FEA!**

The net result was that FEA was able to convert Mayberry to our ATF and improve the services they were providing to the full range of Hyundai/Genesis customers they were servicing in their dealership. It also helped increase Greg and his team's confidence in Petra and the dealer's confidence in FEA. Again, a big win with both product and partnership dimensions.

**We create value only when purpose and focus are aligned.
Petra wins when you win. Thanks for our partnership!**



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