

# Security National

Family of Companies



## Security National Financial Corporation Reports Financial Results for the Quarter Ended September 30, 2018

November 14, 2018

SALT LAKE CITY, Nov. 14, 2018 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended September 30, 2018.

For the three months ended September 30, 2018, SNFC's after-tax earnings from operations increased 83.6% from \$1,097,000 in 2017 to \$2,014,000 in 2018, on a 6.4% decrease in revenues to \$67,223,000. SNFC's after tax earnings for the nine months ended September 30, 2018 increased 307.5% to \$22,178,000 from \$5,443,000 in 2017.

Scott M. Quist, President of the Company, said, "We are always pleased when we can report an increase in profitability, especially a nearly 100% improvement in profitability as measured by 3<sup>rd</sup> quarter over prior year 3<sup>rd</sup> quarter. On a year to date basis we have accomplished a nearly 16% return on equity during the first 9 months. Our life insurance segment, a primary driver of this improvement, has shown excellent revenue growth of 15.5% and more than excellent profitability growth of nearly 341%, especially when one considers the depreciation and interest costs related to our Center 53 project that are accounted for in that calculation.

"Our Memorial Mortuary & Cemetery group is the second primary driver of our increased profitability. Stripping out non-operational real estate related activities, operational earnings improved 227% for the 3<sup>rd</sup> quarter as compared to the prior year. We have made great progress on our pre-need cemetery sales, those being up more than 40% for the same period. We have also seen an improvement on the investment returns on our various trust deposits.

"Our Mortgage segment continues to navigate in a particularly challenged industry. Consistent with the industry we are experiencing lower volumes and margin compression. Our own experience has been a 10% decrease in funded volume for the 3<sup>rd</sup> quarter as compared to the prior year. Our team has worked very hard on efficiencies and decreased costs over 20% for the same period. But margin compression, caused by increased competitive pressures due to the decrease in industry volume, decreased revenue 22% for the same period.

"Nevertheless, given the challenges we continue to face, we are pleased to report the improvement in total profitability."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended September 30, 2018, as compared to 2017, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2018	2017		2018	2017	
Life Insurance	\$ 28,962,000	\$ 25,078,000	15.5%	\$ 2,192,000	\$ 497,000	341.0%
Cemeteries/Mortuaries	\$ 4,009,000	\$ 2,999,000	33.7%	\$ 782,000	\$ 248,000	215.3%
Mortgages	\$ 34,252,000	\$ 43,754,000	(21.7%)	\$ (762,000)	\$ 393,000	(293.9%)
Total	<u>\$ 67,223,000</u>	<u>\$ 71,831,000</u>	(6.4%)	<u>\$ 2,212,000</u>	<u>\$ 1,138,000</u>	94.4%

For the nine months ended September 30, 2018:

	Revenues			Earnings before Taxes		
	2018	2017		2018	2017	
Life Insurance	\$ 109,199,000	\$ 77,112,000	41.6%	\$ 28,841,000	\$ 4,780,000	503.4%
Cemeteries/Mortuaries	\$ 13,060,000	\$ 9,907,000	31.8%	\$ 3,714,000	\$ 1,332,000	178.8%
Mortgages	\$ 95,905,000	\$ 128,954,000	(25.6%)	\$ (4,994,000)	\$ 1,918,000	(360.4%)

Total	\$ 218,164,000	\$ 215,973,000	1.0%	\$ 27,561,000	\$ 8,030,000	243.2%
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Net earnings per common share was \$.12 for the three months ended September 30, 2018, compared to net earnings of \$.07 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was \$10.53 as of September 30, 2018, compared to \$9.23 as of December 31, 2017.

The Company has two classes of common stock outstanding, Class A and Class C. There were 16,334,192 Class A equivalent shares outstanding as of September 30, 2018.

If there are any questions, please contact Mr. Garrett S. Sill, Mr. Brian Nelsen or Mr. Scott Quist at:

Security National Financial Corporation  
P.O. Box 57250  
Salt Lake City, Utah 84157  
Phone: (801) 264-1060  
Fax: (801) 265-9882



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Source: Security National Financial Corporation