Security National
Family of Companies

Security National Financial Corporation Reports Financial Results For the Quarter Ended September 30, 2019

November 18, 2019

SALT LAKE CITY, Nov. 18, 2019 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended September 30, 2019.

For the three months ended September 30, 2019, SNFC's pre-tax earnings increased 115.2% from $2,212,000 in 2018 to $4,760,000 in 2019, on a 12.1% increase in revenues to $75,380,000. SNFC's pre-tax earnings for the nine months ended September 30, 2019 decreased 57% to $11,816,000 from $27,561,000 in 2018, on a 5.9% decrease in revenue.

Scott M. Quist, President of the Company, said, "I am pleased with the year to date operational performance of our Company. First, I would note our momentum. We have clearly improved each quarter this year. But disregarding quarterly momentum, on a year to date basis, adjusting out investment gains, primarily the sale of our Dry Creek Apartments in 2018, and asset impairments, primarily a write down of our Kansas property in Q3 2019, our year to date operational income increased 166% to $14,153,000 pre-tax against year to date 2018 pre-tax operational income of $5,309,000.

"In some respects, our compare to last year is easier given the poor 2018 results we experienced in our Mortgage Segment. In that regard, I would say that our much-improved Mortgage Segment results this year are not merely a function of the market, although market forces have been favorable. During the first 9 months of 2019 our Mortgage Segment replaced about half of its Regional Managers and added significant executive level production talent. Those management changes led to our significantly improved performance. I believe that we have much room and great expectations for further growth and improvement. For example, we have earned this year (ytd) almost exactly what we lost last year (ytd). We have accomplished a great turn around. But, excluding 2018, our 5-year average Mortgage Segment income (ytd) is about $6.5 million, or about 35% higher than this year's results. With the management team we now have in place we believe we will return to and exceed that baseline.

"While our Mortgage Segment has the most dramatic year over year results, our Insurance and Memorial Segments continue to achieve very solid progress. Our year to date Insurance Segment operational income is up about 10% over 2018, and our year to date Memorial Segment operational income is up about 11%. In my view, those results are enviable in our marketplaces. Lastly, it should not go without saying that obtaining the necessary yields within acceptable risk tolerances for our Insurance Segment continues to be difficult in this low interest rate environment."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended September 30, 2019, as compared to 2018, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2019	2018		2019	2018	
Life Insurance	$ 29,825,000	$ 28,962,000	3.0%	$ 1,264,000	$ 2,192,000	(42.3%)
Cemeteries/Mortuaries	$ 3,570,000	$ 4,009,000	(11.0%)	$ 213,000	$ 782,000	(72.8%)
Mortgages	$ 41,985,000	$ 34,252,000	22.6%	$ 3,283,000	$ (762,000)	530.8%
Total	$ 75,380,000	$ 67,223,000	12.1%	$ 4,760,000	$ 2,212,000	115.2%

For the nine months ended September 30, 2019:

	Revenues			Earnings before Taxes		
	2019	2018		2019	2018	
Life Insurance	$ 88,937,000	$ 109,199,000	(18.6%)	$ 4,568,000	$ 28,841,000	(84.2%)
Cemeteries/Mortuaries	$ 12,473,000	$ 13,060,000	(4.5%)	$ 2,422,000	$ 3,714,000	(34.8%)
Mortgages	$ 103,909,000	$ 95,905,000	8.3%	$ 4,826,000	$ (4,994,000)	196.6%
Total	$ 205,319,000	$ 218,164,000	(5.9%)	$ 11,816,000	$ 27,561,000	(57.1%)

Net earnings per common share was $0.21 for the three months ended September 30, 2019, compared to net earnings of $.12 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, 2019, compared to $9.99 as of December 31, 2018.

The Company has two classes of common stock outstanding, Class A and Class C. There were 17,196,141 Class A equivalent shares outstanding as of September 30, 2019.

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

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Source: Security National Financial Corporation