Security National
Family of Companies

SECURITY NATIONAL FINANCIAL CORPORATION REPORTS FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019

March 31, 2020

SALT LAKE CITY, March 31, 2020 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the year ended December 31, 2019.

For the twelve months ended December 31, 2019, SNFC's after-tax earnings from operations decreased 49.8% from $21,686,000 in 2018 to $10,894,000 in 2019, on a 1.2% increase in revenues to $283,061,000.

Scott Quist, Chairman of the Board, President, and Chief Executive Officer of SNFC, said, "We are pleased with our operational performance in 2019. Excluding extraordinary items, meaning the gain from the sale of our Dry Creek Apartments in 2018 and the write down on our Wichita office building in 2019, our pre-tax Operational Earnings increased from $3.9 million in 2018 to $16.6 million in 2019, or a 322% YOY improvement. While it is true that much of that improvement was centered in our mortgage segment, all of our business segments experienced significant and measurable operational improvement in 2019.

"In addition to the excellent operational performance in 2019, we were able to accomplish a significant acquisition. In December we closed on the purchase of Kilpatrick Life Insurance Company. Kilpatrick was founded in 1935, is located in Shreveport Louisiana, and occupies a prominent position in its respective markets. The basic insurance business of Kilpatrick is funeral related insurance, similar to what the Company sells as its main insurance product. Several of the former Principals of Kilpatrick have agreed to continue their service as members of the Kilpatrick Board of Directors thus continuing their oversight of Kilpatrick and ensuring the same quality service the company has been known for. With the acquisition of Kilpatrick, the Company's assets increased 27% YOY to $1.334 Billion.

"Of course, the world today is a much different place than it was in 2019, and much different even than it was a month ago. I believe our company has reacted well to the tremendous challenges placed upon it and our staff over that last month. A month ago, we had probably 85-90% of our staff working in our offices, today, we have probably 20-25% working at our offices. The remaining approximately 75-80% are now working remotely from their homes. I am very proud of how quickly our IT staff was able to install such functionality.

"Financial markets have reacted with wide swings in both the fixed income and equity markets. Interest rates have dropped precipitously with the two-year treasury bill even dipping into negative interest rate territory briefly. While the lowered rates have sparked additional activity in our mortgage segment, profitably deploying cash has become more troublesome.

"We are fortunate that most, if not all, of our businesses to date have been considered not "non-essential". However, even such formerly simple tasks as deed recordings and professional licensing have now become problematic. Traditionally a large percentage of our new customer sales activity has been consumer direct in-home sales. Such in-home transactions are becoming increasingly rare. We have reacted speedily with video and other remotely based sales presentation capabilities. The training of our sales force and the market acceptance of such new sales methods remains to be seen. Even where there is consistent demand, such as in funeral services, providing those services in today's environment has been challenging. While it is hazardous to guess how long such conditions will linger it is nevertheless our job to understand and react to the present environment and continue to provide our needed services and products on a profitable basis."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the twelve months ended December 31, 2019, as compared to 2018, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2019	2018		2019	2018	
Life Insurance	$ 125,739,000	$ 137,683,000	(8.7%)	$ 6,566,000	$ 30,124,000	(78.2%)
Cemeteries/Mortuaries	$ 16,502,000	$ 16,440,000	0.4%	$ 2,660,000	$ 3,916,000	(32.1%)
Mortgages	$ 140,820,000	$ 125,496,000	12.2%	$ 4,718,000	$ (7,860,000)	160.0%
Total	$ 283,061,000	$ 279,619,000	1.2%	$ 13,944,000	$ 26,180,000	(46.7%)

Net earnings per common share was $0.60 for the twelve months ended December 31, 2019, compared to net earnings of $1.19 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was $10.86 as of December 31, 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 18,117,843 Class A equivalent shares outstanding as of December 31, 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