Security National
Family of Companies

Security National Financial Corporation Reports Financial Results for the Quarter Ended September 30, 2020

November 16, 2020

SALT LAKE CITY, Nov. 16, 2020 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended September 30, 2020.

For the three months ended September 30, 2020, SNFC's after-tax earnings from operations increased 710.2% from $3,617,000 in 2019 to $29,305,000 in 2020, on a 94.0% increase in revenues to $146,205,000. SNFC's after tax earnings for the nine months ended September 30, 2020 increased 468.1% to $51,286,000 from $9,028,000 in 2019.

Scott M. Quist, President of the Company, said, "For the quarter, revenues increased 94%, profitability increased 700%, and YTD we have a 26% return on equity. I believe our third quarter is the best operational third quarter ever for each of our business segments. Those are spectacular results that have been delivered in difficult circumstances. I applaud the efforts of all our teams in their considerable accomplishment. Every business segment delivered impressive results.

"Our mortgage segment has taken great advantage of the circumstances presented this year. The pandemic-created interest rate decline spurred refinance volumes, made purchase transactions more affordable, and provided generally higher margins on the sale of loans for those institutions having the sales, operational, and financial wherewithal to take advantage. Our hardworking staff met the challenge of the more than doubled volumes by increasing efficiency in a very difficult workplace environment, such that costs only increased about 60% - an enviable accomplishment.

"Our insurance segment's operational income reflects similar accomplishment. Our Kilpatrick Life Insurance Company acquisition, which closed last December, has been integrated. Much of that work was accomplished in difficult COVID-related circumstances. While Kilpatrick experienced losses during the first four months of 2020, as was anticipated, it is now profitable and contributing beyond expectations. COVID-related death claims have become more pronounced with death claims increasing about 20% YTD, and for September increasing approximately 65% over September 2019. I don't know if the 65% number is a fair predictor of the future, but obviously COVID-19 claims are having, and will continue to have, an impact. Lastly, obtaining necessary investment yields within acceptable risk tolerances is becoming more difficult in this low interest rate environment. We do not anticipate those economic circumstances changing over the near term.

"Our Memorial segment similarly delivered very solid Q3 and YTD result with revenues increasing 54% for the quarter and operational income increasing 100% YTD. Substantially contributing to those results is increased preneed cemetery sales, but mortuary and cemetery operations were also significant contributors. This excellent performance is not an isolated instance. It is instructive to note that our Memorial segment has achieved an average 24% compound annual growth rate in operational income over the last six years. In my view, such excellent financial results are the natural consequence of continuously providing superb customer care and consumer experience during very difficult times."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended September 30, 2020, as compared to 2019, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2020	2019		2020	2019	
Life Insurance	$ 39,261,000	$ 29,825,000	31.6%	$ 4,807,000	$ 1,264,000	280.3%
Cemeteries/Mortuaries	$ 5,496,000	$ 3,570,000	53.9%	$ 1,322,000	$ 213,000	520.7%
Mortgages	$101,448,000	$ 41,985,000	141.6%	$32,455,000	$ 3,283,000	888.6%
Total	$146,205,000	$ 75,380,000	94.0%	$38,584,000	$ 4,760,000	710.6%

For the nine months ended September 30, 2020:

	Revenues			Earnings before Taxes		
	2020	2019		2020	2019	
Life Insurance	$110,255,000	$ 88,937,000	24.0%	$ 5,408,000	$ 4,568,000	18.4%

Cemeteries/Mortuaries	$ 14,816,000	$ 12,473,000	18.8%	$ 2,976,000	$ 2,422,000	22.9%
Mortgages	$219,404,000	$103,909,000	111.2%	$58,868,000	$ 4,826,000	1,119.8%
Total	$344,475,000	$205,319,000	67.8%	$67,252,000	$11,816,000	469.2%

Net earnings per common share was $1.51 for the three months ended September 30, 2020, compared to net earnings of $0.19 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was $13.53 as of September 30, 2020, compared to $10.86 as of December 31, 2019.

The Company has two classes of common stock outstanding, Class A and Class C. There were 18,919,980 Class A equivalent shares outstanding as of September 30, 2020.

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