

Security National

Family of Companies



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

August 17, 2021

SALT LAKE CITY, Aug. 17, 2021 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended June 30, 2021.

We would also note that our 2nd quarter Form 10Q, although timely prepared and provided to our XBRL service provider, was filed one day late as a result of unanticipated technical difficulties experienced by the third-party provider. SNFC contracts with a third-party who has the responsibility to convert its SEC documents into a format that is acceptable to the SEC.

For the three months ended June 30, 2021, SNFC's after-tax earnings from operations decreased 45.2% from \$20,557,000 in 2020 to \$11,258,000 in 2021. However, SNFC's after tax earnings for the six months ended June 30, 2021, increased 6.4% to \$23,386,000 from \$21,982,000 in 2020.

Scott M. Quist, President of the Company, said, "I think we have to be pleased with the operational performance of our company. Q2 2021 represents the Company's second best second quarter performance and Q1 and Q2 2021 represent our best first half performance. Many thanks to the hard work of our teams.

"There were considerable undercurrents within our business segments. In Q2 2020 there were very consequential market disruptions that our Mortgage segment was able to take financial advantage of. But, during Q2 2021 we saw a more rational mortgage market and, overall, experienced some margin contraction as the refinance market shrank. Operational expenses have expectedly been increasing this year as we have been adding staff to accommodate increased loan volumes. In many cases those staff additions were overdue, as we had been working our staffs at higher than sustainable levels. Thanks to our team for that effort! The results we have seen are as we expected and, in my view, represent a continuing high level of performance.

"In our Insurance segment, COVID-related claims seem to have peaked in the January-February period and appear to have decreased, but not disappeared, during March through June period. Our expenses have remained stable, which is very good given the very low unemployment environment in most of our markets and the work-from-home circumstances caused by the pandemic. Our investment income has been moderately increasing, due to an increase in alternative investments such as commercial and construction loans, despite the low interest rate environment. Obtaining necessary yields within acceptable risk tolerances is becoming increasingly more difficult in this low interest rate environment. We do not anticipate those economic circumstances changing in the near term.

"Our Memorial segment delivered a very exceptional first half, with operational income increasing 200% over 2020. While some of that improvement related to increased mortality due to COVID, much of the improvement was driven by an increase in preneed cemetery sales. Our dedicated staffs provided, and continue to provide, excellent customer service in difficult working environments, which we believe has led to our increased market share.

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended June 30, 2021, as compared to 2020, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2021	2020		2021	2020	
Life Insurance	\$ 40,657,000	\$ 37,789,000	7.6%	\$ 4,694,000	\$ 3,670,000	27.9%
Cemeteries/Mortuaries	\$ 6,808,000	\$ 5,306,000	28.3%	\$ 2,269,000	\$ 1,549,000	46.5%
Mortgages	\$ 69,285,000	\$ 75,567,000	(8.3%)	\$ 7,714,000	\$ 21,975,000	(64.9%)
Total	\$ 116,750,000	\$ 118,662,000	(1.6%)	\$ 14,677,000	\$ 27,194,000	(46.0%)

For the six months ended June 30, 2021:

	Revenues			Earnings before Taxes		
	2021	2020		2021	2020	
Life Insurance	\$ 79,601,000	\$ 70,994,000	12.1%	\$ 7,389,000	\$ 601,000	1,129.5%
Cemeteries/Mortuaries	\$ 13,807,000	\$ 9,320,000	48.1%	\$ 4,970,000	\$ 1,653,000	200.7%
Mortgages	\$ 146,001,000	\$ 117,956,000	23.8%	\$ 18,673,000	\$ 26,414,000	(29.3%)

Total	\$ 239,409,000	\$ 198,270,000	20.7%	\$ 31,032,000	\$ 28,668,000	8.2%
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Net earnings per common share was \$1.12 for the six months ended June 30, 2021, compared to net earnings of \$1.10 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was \$14.25 as of June 30, 2021, compared to \$13.87 as of December 31, 2020.

The Company has two classes of common stock outstanding, Class A and Class C. There were 20,053,642 Class A equivalent shares outstanding as of June 30, 2021.

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