

Quarterly Investor Call Transcript

Security National Financial Corporation

Quarter: Q4 2025

Date & Time: Tuesday, March 17th 1PM MT

1. Welcome & Forward-Looking Statement

Presenter: HR Director Heather Street

“Good afternoon, everyone, and welcome to Security National Financial Corporation’s Fourth Quarter 2025 Earnings Call. We thank you for joining us today to review our financial and operational results for the period ended December 31, 2025.

Before we begin, I’d like to remind everyone that our remarks today will include forward-looking statements. These statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from those projected. Such risks include, but are not limited to, changes in economic conditions, interest rates, regulatory developments, competitive pressures, and other factors detailed in our filings with the Securities and Exchange Commission. We caution you not to place undue reliance on these forward-looking statements, which speak only as of today’s date. We undertake no obligation to publicly update or revise these statements to reflect future events or circumstances, except as required by law.

With that, I’d like to turn the call over to our Chairman, President, and Chief Executive Officer, Scott Quist.

2. Welcome & Remarks

Presenter: CEO Scott Quist

“Thank you, Miss Heather. First of all, Happy St. Patrick’s Day everyone! Thank you for attending our Q4 earnings call, and I believe it could also be accurately be characterized as our year end 2025 investor call.

For the twelve months ended December 31, 2025, SNFC’s after-tax earnings from operations increased 10.8% from \$29 million in 2024 to \$32 million in 2025, on a 3% increase in revenues to \$345 million.

Absent the pandemic related years of 2020 and 2021, and I have started excluding those years simply because of the extraordinary circumstances those years presented both in terms of the interest rate environment which as many will recall for a very short period of time gave negative rates, but also the mortality increase which boosted our cemetery and mortuary earnings, which circumstances are unlikely to duplicate in the future so, I choose to compare ourselves to more normal times.

So again, absent the pandemic related years of 2020 and 2021, this was our best net profit year ever, beating 2024 by nearly 11%, which is significant realizing that 2024 was our previous best year ever, again absent 2020 and 2021. 2025 was a very good year for our Company and I believe the 4th quarter in particular delivered “excellent” results. Regarding the Life Segment, Mr. Sill will be addressing this more following my remarks, I would urge your awareness that pursuant to the implementation of ASU 2018-12 “Long Duration Targeted Improvements” (LDTI) our Life Segment’s 2024 full year results were restated upwards by approximately \$2MM.

Regarding my use of the phrase “very good” in describing our year end results, I think anytime a financial services company achieves a 2% return on total assets is “very good”. Our entire team, Mortgage, Life Insurance, and Cemetery and Mortuary joined together to produce that result. Going to my use of the word “excellent” in describing quarterly results, I think anytime we achieve a nearly 200% increase over the prior year’s Q4 is “excellent”. Turning now to our specific business segment results, 2025 is our Insurance Segment’s best operational year ever. We did, and are continuing to, expend considerable strategic thought, effort, and expense to improve our sales systems both from the agent and managerial views and our end customer’s view in order to grow our top-line revenue. We have brought on, and continue to bring on, new capable talent and have continued to refine and improve our sales support and commission systems. Our Cemetery and Mortuary Segment delivered a nearly 30% EBITDA margin for the year, which is “very good” especially considering the increasing cremation rates. Here we have also brought on new sales talent and continue to spend considerable resources refining our sales support systems to grow top-line revenue. We believe revenue will grow as we drive the implementation of our initiatives. Our Mortgage Segment had a fabulous Q4 delivering a 74% net income improvement on a 4.6% revenue decrease. A tremendous amount of thought, work, accountability, and effort has gone into streamlining and rationalizing our corporate, regional, and branch operations as well as expanding our sales offerings both in terms of capability and personnel. The improvement and momentum are significant.

It is essential to understand the integrated nature of our Company. A major reason for the Life Segment’s continued improvement is its investment income, much of which is related to our Mortgage Segment’s operations. While I agree with my father’s saying that “every tub sits on its own bottom” and we need to measure our three business segments’ financial results in those terms, nevertheless we are designed such that each

segment synergistically supports its siblings. We as a Company would not have had our best year without the significant push from each of our business segments.

Finally before turning the time over to Mr. Sill, I would note that I am the Chief Executive Officer and President of the holding company. I am not the Chief Executive Officer of our life segment or our mortgage segment or our memorial segment. The President and Chief Executive Officer of our Life Insurance and Funeral Home and Cemetery segments is Mr. Adam Quist, and the President and Chief Executive officer of our Mortgage would be Mr. Andrew Quist.

With that simple explanation, we'll go to Mr. Sill, our Chief Financial Officer. Mr. Sill"

3. SNFC Financials

Presenter: CFO Garrett S. Sill

"Thank you, Scott. Good afternoon and thank you for joining us today. My name is Garrett Sill, and I am the Chief Financial Officer of Security National Financial Corporation.

As mentioned in our last call, accelerated filing status brought with it some significant changes and challenges to the Company. The most significant change was the adoption and formalization of the Company's internal controls over financial reporting. The Company's internal controls fall into two categories: Business Process Controls and Information and Technology General Controls. The runway was short in 2025 to bring the Company up to speed with our new "control standard", but we got there. Fortunately, we have a much longer runway in 2026 and will use the framework developed last year to refine, enhance and remediate our controls both from a 404a and 404b perspective.

2025 also brought a significant change to our financial statements as we officially adopted ASU 2018-12, better known as Targeted Improvements to the Accounting for Long-Duration Contracts, or "LDTI". With our filing on Monday, this project is completed, and I can officially erase it from my office's white board. It has been a three-year effort, and I want to thank our Actuary and Finance teams, as well as Deloitte for the efforts involved.

Regarding our adoption of LDTI, I would encourage you to review pages 49-52 of our 10K as those pages add some clarity to the various effects to the Company's financial statements as we restated our annual results for 2024 for comparison purposes. The simplest way for me to explain the effect of LDTI is to focus on two key items. First, under old accounting standards Deferred Acquisition Costs or "DAC" was amortized based on the premium paying period of the policy, under new accounting standards (LDTI), DAC is now amortized over the life of the policy. The result is lower DAC amortization, which means accelerated earnings.

Second, we now use a standardized discount rate when calculating our Future Policy Reserves or “Reserves” AND we apply this standardized rate to our in-force business every quarter. The result is that changes in interest rates will cause our Reserves to increase as interest rates decrease and to decrease as interest rates increase. The change in Reserves due to interest rate changes flows through to Accumulated Other Comprehensive Income, which is a component of Stockholder’s Equity.

I want to just mention a few items regarding our consolidated financial statements. First, on our Balance Sheet, invested assets increased \$72MM, or 7.5% as we increased our investments in key areas. We also saw a favorable swing in our Fixed Income (Bond) portfolio with the “easing” of interest rates in 2025. Our Deferred Acquisition Costs or “DAC” balances increased almost \$9MM or 6.9% because of LDTI, which I mentioned earlier. In all, Total Assets increased \$67MM or 4.5%. Most of our liabilities remained relatively flat except for our Future Policy Benefits (Reserves), which increased nearly \$48M, or 6.3%, largely due to the change in our discount rate at yearend. This increase in Reserves flows directly to Stockholder’s Equity and was partially offset by the appreciation in our bond portfolio. These two items, along with our earnings, pushed our Stockholder’s Equity to \$410MM for an increase of 7.5%.

Moving to our Statement of Earnings, the 3% increase in Revenues was primarily a result of good investment returns, which is shown in the Net Investment Income and Gains on Investments lines. The \$10MM increase in revenues was muted by increased costs that totaled approximately \$6MM. The most significant areas of increase were in our Personnel expenses, which was up about \$2MM and Other expenses increased about \$3MM. The most notable increases in the sub categories of our Other expenses, were Bad Debt, Professional Fees, Insurance Premiums and Data Processing. The result was increased net earnings year over year of \$3M or 10%.

In closing, 2025 was a very good financial year for the Company as we saw growth in Total Assets, Stockholder’s Equity and Net Earnings year over year. We still have a significant amount of work as we continue to navigate our Accelerated Filing Status, but I am confident that we can meet the rigorous standards. Next, we’ll hear from Andrew Quist, President and Chief Executive Officer of SecurityNational Mortgage.

Thank you.”

4. SecurityNational Mortgage

Presenter: SNMC CEO & President Andrew Quist

“Thank you, Garrett, and good afternoon fellow shareholders. As Garrett mentioned, I’m Andrew Quist, President and CEO of SecurityNational Mortgage Company.

In the fourth quarter of 2025, SecurityNational Mortgage Company had a pre-tax net loss of \$1,161,000, compared to a net loss of \$4,400,000 in the fourth quarter of 2024. a decrease to our net loss of \$3,239,000, or a 74% reduction. Though still a net loss

averaging more than \$1 million a month improvement over the same quarter last year shows significant progress in our company and a trajectory I'm proud of.

This improvement came on reduced origination volumes. In the fourth quarter of 2025, we originated \$540 million of loan volume compared to \$573 million in the fourth quarter of 2024, a 6% year-over-year decrease. On a sequential quarter basis, origination volumes were down 13%. Based on the Mortgage Bankers Association's reported total industry origination volumes for Q4, SecurityNational Mortgage Company's market share decreased to 9 basis points from 11 basis points in the third quarter. This reduction in origination volume and market share was the result of the company separating from loan originators that could not originate loans profitably and continued underperformance in refinance volumes.

Turning to refinance volumes, SecurityNational improved from 14% refinance volume in the third quarter to 19% in Q4, with 23% refinance volume in December alone, which marks a 3-year high in that metric. I believe this shows our focus on capturing more of the refinance market and improving our skill set in this area is working. Again, we will always be a purchase transaction-based lender, but improving our capture of refinance loans is key to gaining market share and improving origination volumes in this environment.

Reviewing full year results, SecurityNational Mortgage had a net loss of \$4,761,000 in 2025 compared to a net loss of \$6,213,000 in 2024. This was a \$1,452,000 reduction in our loss, or a 23% improvement. I believe GAAP results understate the year-over-year improvement at SNMC. On an operating basis, the year-over-year improvement was over \$4 million in 2025. This was on flat origination volumes. SecurityNational Mortgage funded \$2.3 billion in both 2025 and 2024.

In summary, SecurityNational Mortgage showed significant improvement in the fourth quarter, beating last year's results by over \$1 million dollars a month on average. We also improved our full year results in 2025 by 23%. I'm confident we will continue on this path of improvement, and I want to express a heartfelt thank you to our loan officers and our employees for their continued work to improve SNMC. It is bearing results. Thank you."

5. Security National Life

Presenter: SNL CEO & President Adam Quist

"Thank you, Andrew.

My name is Adam Quist, and I'm president and CEO of the Security National Life Insurance Companies. My comments will focus specifically on the performance of our

Life Companies, which, as Scott mentioned, in 2025 delivered their strongest operational year ever.

For the year 2025, the Life Segment's net earnings rose to \$37.4 million, up nearly 8% year over year. We accomplished this by generating approximately \$208 million in total revenue, an increase of about 5% over 2024. These results reflect our strong investment performance, the continued stability of our insurance operations, and the progress we are making in strengthening both our distribution and operations platforms.

Let me further highlight a few of the key drivers behind those results.

First, investment income was the most meaningful contributor to our performance this year. Net investment income increased to approximately \$76 million, representing about 12% growth over the prior year, largely due to returns associated with our residential real estate investment strategies.

Our Life Companies benefit from a diversified investment portfolio, and an important component of that portfolio are the assets generated in synergy with our mortgage segment. As Scott stated, the integrated structure of Security National continues to provide a unique advantage for our life companies, allowing us to deploy capital efficiently while generating what we view as strong risk adjusted returns over the long term within the Life segment.

Second, our core premium revenue remained very stable, totaling roughly \$120 million for the year. This reflects the durability of our policyholder base and the strength of our agent network. Over the past two years we have invested significant time and resources into improving our sales management, sales systems, agent support infrastructure, and the overall agent, partner, and customer experience. Those investments are helping us maintain a consistent production base while positioning us for future growth. To be clear, our goal is not to just to have stable premium revenue. Our goal is to grow our premium revenue. While it is a process, I believe the investments we have made over the past two years are starting to show their fruits.

Third, we continued to make targeted investments in personnel while maintaining disciplined expense management. We did see some increases in operating expenses as we expanded our sales support capabilities, invested in technology, and continued modernizing our internal infrastructure. These investments are intentional and strategic. They are aimed at strengthening our distribution platform and ensuring that our Life Companies are positioned for long-term growth.

It is also important to remember that, as Garrett mentioned, our results reflect the implementation of ASU 2018-12 or the LDTI accounting standard. While the accounting presentation has changed somewhat, as you can see in our results, the underlying economics and performance of the Life Companies remain strong. I want to extend my

gratitude to our finance and actuarial teams, as the implementation of LDTI was a heavy lift and required significant effort from both teams.

Beyond the financial results, our focus remains on three core priorities.

First, expanding and strengthening our sales leadership and sales distribution. We continue to recruit new agents and develop new leadership within our sales organization.

Second, improving the systems that support our leaders, agents, and funeral home partners. Over the past two years we have worked to refine our sales support tools, commission systems, and operational processes. Our goal is simple: to increase our value to our agents and partners and make it easier for our agents and partners to do business with us as we help them grow their production. We are continuing to invest in technology, policy application and administration capabilities, and digital tools that improve both agent productivity and our operational efficiency.

Our third priority is to continue to build the infrastructure that supports sustainable, strong investment returns for our Life Companies over the long term. We have invested significant human and financial capital in strengthening this capability. Of course, we are not immune to broader macroeconomic conditions which lay outside of our control. And a meaningful portion of our portfolio is real estate-related investments. We can all read in the popular press of the broader economic trends affecting those markets – sometimes to the positive, sometimes not. Nevertheless, we believe the platform and strategy we are implementing — through disciplined underwriting, strong partnerships, and thoughtful capital deployment — will continue to generate attractive risk-adjusted returns over the long term.

To summarize, 2025 was the strongest operational year in the history of our Life Companies. We saw stable premium production, meaningful growth in investment income, and improved profitability, all while continuing to invest in the systems and infrastructure that will support and enable future growth.

Thank you for your continued support. I look forward to sharing our progress with you on future calls.

I will now turn the time over to Steve Kehl, our COO of our Funeral Homes and Cemeteries Division.”

6. Security National Funeral Homes and Cemeteries

Presenter: FH&C COO Steve Kehl

“Thank you, Adam.

Good afternoon, everyone. I am Steve Kehl, the Chief Operating Officer of Security National Funeral Homes & Cemeteries.

In the fourth quarter, earnings before tax increased to \$1.74 million, compared to \$877 thousand in the prior-year period. Total revenue rose 9.7% to \$8.13 million, up from \$7.41 million in the fourth quarter of 2024.

For the full year, earnings before tax were \$8.82 million, compared to \$8.86 million in 2024, while total revenue increased 0.9% to \$33.32 million, up from \$33.02 million in the prior year. While full-year earnings were modestly below the prior year, our performance reflects underlying stability and continued progress. We are entering the new year with renewed conviction in our strategy and a clear path to sustained growth and long-term value creation.

In the fourth quarter, funeral home earnings before tax increased 55.5% to \$182,000, compared to \$117,000 in the prior-year period. Revenue remained stable at \$3.27 million, up modestly from \$3.26 million in the fourth quarter of last year. Despite a 4.3% decline in families served, the team delivered a 0.2% increase in average funeral sales, reflecting disciplined execution and a continued focus on value.

For the full year, funeral home revenue increased 4.0% to \$13.85 million, compared to \$13.32 million in 2024. This growth was supported by a 3.5% increase in average funeral sales, along with an increase in the number of families served. Notably, we achieved a 9.3% increase in the number of families choosing to hold a service alongside cremation, reflecting continued success in aligning our offerings with evolving consumer preferences.

We believe this performance underscores the effectiveness of our expanded service portfolio and the continued advancement of our funeral directors in guiding families toward more meaningful, personalized experiences. Over the past year, we have made targeted investments in professional development, strengthening capabilities within the arrangement conference and elevating standards of execution across our funeral home teams, positioning us well for continued growth.

In the fourth quarter, cemetery earnings before tax were \$518,000, compared to \$934,000 in the prior-year period, and revenue decreased 11.3% to \$3.86 million from \$4.35 million. The decline in revenue was primarily driven by lower net-preneed land sales, including the absence of larger, higher-value property transactions in the quarter.

Importantly, the team increased the number of preneed contracts written by 11.8% and achieved a 2.9% increase in cemetery placements, reflecting continued underlying activity and engagement.

For the full year, cemetery revenue decreased 6.2% to \$15.22 million, compared to \$16.22 million in 2024. Notably, we delivered growth in contract volume across both preneed and at-need cemetery operations, underscoring sustained demand, while also continuing to see an evolution in consumer disposition preferences within our cemeteries.

As our teams remain focused on educating families on the value of establishing a permanent place of remembrance, we are confident these efforts will translate into future revenue growth and strengthen our long-term position. We continue to prioritize consistent, high-quality arrangement presentations, targeted and education-based community events, enhanced cemetery park tours, and ongoing training initiatives to ensure our teams are effectively guiding families through all available options.

In the fourth quarter, investment income increased to \$1.00 million, compared to a negative \$202,000 in the prior-year period.

For the full year, investment income increased 21.9% to \$4.25 million, compared to \$3.48 million in the prior year.

We approach our investment strategy with a long-term perspective, expecting returns to compound steadily over time. Both quarterly and annual investment income have been strengthened by partnerships within our mortgage and life insurance segments. We also saw favorable growth in unrealized gains on common stock positions. We remain committed to disciplined capital allocation, including continued investment in internal growth initiatives such as cemetery garden expansions, which we believe will be a meaningful driver of future performance.

I would like to express my sincere gratitude to our funeral home, cemetery, grounds, and operational support teams. Your commitment to excellence and professionalism truly defines who we are and drives our success. Because of you, we are not only maintaining our standards; we are strengthening them and continuing to serve families with the highest level of care, compassion, and respect.

Thank you for your time, confidence, and your ongoing partnership.

I will now turn the time back over to our Human Resources Director, Heather Street.”

7. Q&A Instructions + Live Q&A

Presenter: HR Director Heather Street

“Before we conclude today's call, we would like to open the floor for questions. As a reminder, to ask a question, please use the zoom platform to raise your hand to unmute, or you may submit questions through the zoom Q&A panel. Include your name and organization. We'll take as many as time permits.”

There were no questions asked on this earnings call.

Presenter: HR Director Heather Street

“As we've come to the end of our time, we'll note the end of our Q&A and as we have no more questions, we'll note the end of our Q&A.”

Thank you again for your questions and participation. We value the engagement and thoughtful input of our shareholders and analysts.”

8. Closing Remarks

Presenter: HR Director Heather Street

“For more information about the meeting, our latest financial reports, or any other investor materials, we invite you to visit the Investor Relations section of our website at www.securitynational.com.

We appreciate your continued support of Security National Financial Corporation. This concludes our fourth quarter 2025 earnings call. We look forward to speaking with you again soon.

Thank you and have a great day.”