Security National Financial Corporation Reports Financial Results for the Quarter Ended March 31, 2022

May 16, 2022

SALT LAKE CITY, May 16, 2022 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended March 31, 2022.

For the three months ended March 31, 2022, SNFC's after-tax earnings from operations decreased 73% from $12,129,000 in 2021 to $3,229,000 in 2022, on a 17% decrease in revenues to $102,426,000.

Scott M. Quist, President of the Company, said: "While obviously we are well below 2021 income levels, I believe we had a very solid first quarter. Our goal is always to improve our financial performance every year, but sometimes to measure that incremental progress, it is appropriate to remove macro distortions. So, if we compare Q1 2022 to Q1 2019, trying to remove the Pandemic effects somewhat, our Q1 2022 results are 83% above our Q1 2019 results. To me, that is a solid performance.

Turning to our segment analysis, for our Mortgage Segment interest rate movements by far had the greatest effect both to our Mortgage Segment specifically, and to our entire company generally. The extraordinarily low rates of 2021 triggered huge refinance transaction volumes, whereas the rising rate environment of 2022 had the equally strong effect in the opposite direction. As the refinance boom faded, both transaction volume and margins were materially decreased.

In our Life Segment the story is more nuanced. Death benefits did decrease vis a vis 2021 but are not yet back to pre-Pandemic levels. In our view, death claims are still above "normal" mortality expectations. Our costs of operations increased materially both in personnel and G&A costs over 2021 levels. Our common stock portfolio had a significant tailwind as the market improved in 2021 but had the opposite in 2022 as equity markets fell. Congratulations to our life sales force, who now are materially above 2019 sales in all our marketing channels save one.

In our Death Care Segment, demand has been and continues to be very high. Meeting that demand and providing the level of care and service has become more difficult and more expensive as the labor market has tightened and costs for just about all goods have increased. Congratulations to our dedicated staffs who have worked significant overtime trying to meet families needs. Despite the increased costs, operationally we had good results. We do have a financial drag which camouflages our good operational results. In our pre-need area, we have significant common stock holdings which form part of the funding for our future pre-need needs. Those common stock portfolios had significant tailwinds in 2021, but as with our Life Segment portfolios, had significant headwinds in 2022. Without the common stock effects, our financial performance would have been materially better. All things considered I believe we should have justifiable pride in our operational performance."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended March 31, 2022, as compared to 2021, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2022	2021		2022	2021	
Life Insurance	$ 41,502,000	$ 38,944,000	6.6%	$ 817,000	$ 2,695,000	(69.7%)
Cemeteries/Mortuaries	$ 7,463,000	$ 6,999,000	6.6%	$ 2,020,000	$ 2,701,000	(25.2%)
Mortgages	$ 53,461,000	$ 76,716,000	(30.3%)	$ 1,607,000	$ 10,959,000	(85.3%)
Total	$ 102,426,000	$ 122,659,000	(16.5%)	$ 4,444,000	$ 16,355,000	(72.8%)

Net earnings per common share was $.15 for the three months ended March 31, 2022, compared to net earnings of $.58 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was $14.29 as of March 31, 2022, compared to $14.77 as of December 31, 2021.

The Company has two classes of common stock outstanding, Class A and Class C. There were 20,455,334 Class A equivalent shares outstanding as of March 31, 2022.

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

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This press release contains statements that, if not verifiable historical fact, may be viewed as forward-looking statements that could predict future events or outcomes with respect to the Company and its business. The predictions in these statements will involve risk and uncertainties and, accordingly, actual results may differ significantly from the results discussed or implied in such forward-looking statements.

Source: Security National Financial Corporation