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Security National Financial Corporation Reports Financial Results for the Quarter Ended June 30, 2022

August 15, 2022

SALT LAKE CITY, Aug. 15, 2022 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended June 30, 2022.

For the three months ended June 30, 2022, SNFC's pretax earnings decreased 68% from \$14,677,000 in 2021 to \$4,730,000 in 2022. For the six months ended June 30, 2022, pretax earnings decreased 70% to \$9,173,000 from \$31,032,000 in 2021.

Scott M. Quist, President of the Company, said:

"2022 is proving to be a very challenging year for our Company given the dramatic rise in interest rates, the significant declines in the stock markets, the continuing tight labor markets, and the meteoric rise of inflationary pressures. Regarding our Mortgage Segment, earnings decreased 95%, directly attributable to the rapid rise in interest rates. Industry wide, refinance loan volumes have decreased 80% and purchase mortgage loan volumes have decreased 19% on a year-over-year basis. That huge volume decrease put terrific downward pressure on margins and mandated rapid expense realignments, including in staffing size. Suffice it to say that operational losses are extant in the mortgage world. Many thanks are in order to our management team which stepped up to the plate to perform the necessary tasks in the face of a very difficult macro environment.

"Our Life Insurance and Cemetery/Mortuary Segments similarly rose to the occasion and significantly improved operational earnings. Adjusting pretax earnings to remove unrealized stock gains and losses, our Life Insurance Segment's income is 25% above 2021 and our Cemetery Mortuary Segment's income is 12% above 2021 levels. Unrealized gains and losses relating to the stock market declines exceed \$2.8 million dollars for 2022 and represent a swing of over \$4.1 million dollars compared to our June 2021 results. Referring to the ongoing effects of COVID 19, in our Life Insurance Segment we believe we are seeing a leveling off (albeit at a seemingly higher base) of death claims, which is financially positive. However, we are seeing a corresponding decrease in case volumes from 2020/2021 levels in our Cemetery Mortuary Segment, which is financially negative. In both instances it has required considerable management skill and efforts to adjust to the very different operating environments that have been rapidly presented to us. For all of our segments, as work volumes have increased hiring has been difficult and as work volumes have decreased inflation has significantly hampered cost reduction efforts. Many thanks are owed to our talented management and operational teams."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended June 30, 2022, as compared to 2021, for each of the three business segments:

	Revenues			Earnings before Taxes		
	2022	2021		2022	2021	
Life Insurance	\$ 41,166,000	\$ 40,657,000	1.3%	\$ 3,932,000	\$ 4,694,000	(16.2%)
Cemeteries/Mortuaries	\$ 7,291,000	\$ 6,808,000	7.1%	\$ 1,486,000	\$ 2,269,000	(34.5%)
Mortgages	\$ 47,110,000	\$ 69,285,000	(32.0%)	\$ (688,000)	\$ 7,714,000	(108.9%)
Total	\$ 95,567,000	\$ 116,750,000	(18.1%)	\$ 4,730,000	\$ 14,677,000	(67.8%)

For the six months ended June 30, 2022:

	Revenues			Earnings before Taxes		
	2022	2021		2022	2021	
Life Insurance	\$ 82,668,000	\$ 79,601,000	3.9%	\$ 4,748,000	\$ 7,389,000	(35.7%)
Cemeteries/Mortuaries	\$ 14,754,000	\$ 13,807,000	6.9%	\$ 3,506,000	\$ 4,970,000	(29.5%)
Mortgages	\$ 100,570,000	\$ 146,001,000	(31.1%)	\$ 919,000	\$ 18,673,000	(95.1%)
Total	\$ 197,992,000	\$ 239,409,000	(17.3%)	\$ 9,173,000	\$ 31,032,000	(70.4%)

Net earnings per common share was \$.31 for the six months ended June 30, 2022, compared to net earnings of \$1.07 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was \$13.47 as of June 30, 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 20,826,605 Class A equivalent shares outstanding as of June 30, 2022.

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