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Security National Financial Corporation Reports Financial Results for the Quarter Ended March 31, 2026

May 11, 2026

SALT LAKE CITY, May 11, 2026 (GLOBE NEWSWIRE) -- Security National Financial Corporation (SNFC) (NASDAQ symbol "SNFCA") announced financial results for the quarter ended March 31, 2026.

For the three months ending March 31, 2026, SNFC's after tax earnings increased over 9%, or approximately \$587,000, from \$6,414,000 in 2025 to \$7,001,000 in 2026. Pre Tax earnings increased nearly 10%, or \$802,000, to \$9,052,000 (please see the table below).

Scott M. Quist, President and Chief Executive Officer of SNFC, said, "To have an increase of over 9% in after tax earnings despite a top line decrease is a testament to the operational efficiencies our teams have been implementing over the last several years. Of course we are working diligently to also increase our top line, and that is a stated objective of all of our units. Nevertheless, improved profitability is the ultimate goal and we did improve profitability.

"Our Mortgage Segment had an outstanding quarter, despite the fact we were still not profitable, improving by over 65% from Q1 of 2025. We were cautiously optimistic that we would be profitable in Q1. Our teams had worked diligently to improve revenue and to rationalize costs in arguably the weakest quarter of the year, but our secondary investor pricing in March declined from what was indicted when we locked our loans to what was realized when the loans were sold. That unexpected decline represented nearly 50 basis points of revenue/profit on nearly \$200MM in volume - so it was significant. Obviously we are reevaluating our processes, but it is fair to say that we followed our customary policies and procedures and were surprised at the ultimate investor pricing. Even with that unfortunate secondary market result, I believe congratulations are due for an outstanding 65% quarter-over-quarter improvement.

"Our Funeral Home and Cemetery Segment improved its top line by 4.4% in Q1, but had a decrease in net income. That decrease deserves some explanation. On an operational basis, meaning before investment results, our operating income actually improved some 16% over Q1 2025. This was accomplished primarily by a 35% improvement in preneed cemetery sales. The hard work that has been put in over the last year is showing up in sales, which argues for an even brighter future. Congratulations to our sales teams for a fabulous result! The culprit leading to our decrease in net income as shown in the table below was our investment income (as opposed to operational income), with the largest factor being unrealized losses in our common stock portfolio. Our Funeral Homes and Cemetery Segment, because of its consistently profitable operations, has a very considerable investment portfolio which we intend to use, as conditions warrant, in financing acquisitions and other future growth.

"Our Life Insurance Segment, per the table below, had a 4% decrease in its top line. As has been noted in several prior press releases, we have been reorganizing and improving our sales forces over the last two years which has necessitated some reorganizations, some terminations, and some turmoil. This process is continuing. I believe I am seeing a turnaround in all of our marketing channels, but progress continues to be considered and deliberate. I will note that the majority of the top line decrease was in our least profitable products. In fact, our underwriting profit, as measured using statutory accounting principles, has significantly increased due to our improved premium margins. That has been a very deliberate strategy over the last period of time. If I were to point to a single factor leading to our net income decrease, it would be a decline in our builder profit splits or, phrased another way, and similar to our Funeral Homes and Cemetery Segment, a decrease in net investment income. However, that characterization is somewhat nuanced in that we also increased our land holdings by \$37MM which has the effect of decreasing, all other things being equal, our investment income since our profits on land holdings are not recognized until the land is either sold or when vertical construction thereon begins. I think it is important to maintain perspective and keep in mind that our net portfolio yield for Q1, as nearly as I can tell, is still about 100 basis points above industry averages.

"To summarize, our top line revenue did decrease some 4%, but our profitability increased by over 9%. I think all of our teams did a great job implementing efficiencies. Make no mistake, top line growth continues to be a main objective, but improved profitability is the primary objective and that objective we achieved."

SNFC has three business segments. The following table shows the revenues and earnings before taxes for the three months ended March 31, 2026, as compared to 2025, for each business segment:

| | Revenues | | | Earnings before Taxes | | |
|--------------------------|---------------|---------------|--------|-----------------------|----------------|--------|
| | 2026 | 2025 | | 2026 | 2025 | |
| Life Insurance | \$ 47,330,000 | \$ 49,287,000 | (4.0%) | \$ 7,601,000 | \$ 8,007,000 | (5.1%) |
| Funeral Homes/Cemeteries | \$ 8,473,000 | \$ 8,119,000 | 4.4% | \$ 2,149,000 | \$ 2,238,000 | (4.0%) |
| Mortgages | \$ 23,926,000 | \$ 25,334,000 | (5.6%) | \$ (698,000) | \$ (1,995,000) | 65.0% |
| Total | \$ 79,729,000 | \$ 82,740,000 | (3.6%) | \$ 9,052,000 | \$ 8,250,000 | 9.7% |

Net earnings per common share was \$.28 for the three months ended March 31, 2026, compared to net earnings of \$.26 per share for the prior year, as adjusted for the effect of annual stock dividends. Book value per common share was \$17.17 as of March 31, 2026, compared to \$16.54 as of December 31, 2025.

The Company has two classes of common stock outstanding, Class A and Class C. There were 24,777,818 Class A equivalent shares outstanding as of March 31, 2026.

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 Security National Financial Corporation and its business. The predictions in the statements will involve risk and uncertainties and, accordingly, actual results may differ significantly from the results discussed or implied in such forward-looking statements.

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